

INTERNATIONAL INSTITUTE OF AGRICULTURE
BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

MONTHLY BULLETIN
OF ECONOMIC AND SOCIAL
INTELLIGENCE • • • • •

29th VOLUME • • • • •

IVth YEAR - NUMBER 5

• • • • • MAY 1913



• • • ROME: PRINTING OFFICE OF THE INSTITUTE. 1913 • • • • •

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Part I: Co-operation and Association

AUSTRIA.

A NEW LAW ON CO-OPERATIVE SOCIETIES.

By DR. OTTO NEUDÖRFER

Secretary of the General Federation of Agricultural Co-operative Societies, Vienna.

In November 1911, the Austrian Government presented to the Chamber of Deputies a bill on co-operative societies which, should it come into force, will place these institutions on a new basis. This bill, of great importance from an economic point of view, will certainly soon be discussed in Parliament. On account of its importance with regard to various problems connected with co-operation in other countries as well as in Austria, we are induced now to consider the principal innovations it proposes.

A desire for the reform of the law of 1873 on co-operative societies in force is by no means of recent date. It is not surprising that a law, framed for the regulation of co-operation in its infancy, should, after four decades of existence, have become inadequate, now that the movement has widely extended and has reached a high degree of development. During the forty years in which this law has been in force there has been ample time to accumulate much experience which should be utilised in legislative measures, while the inherent defects of the original law, which had by degrees become obvious, required a new law for their elimination.

Thus these reforming tendencies aim at utilising experience, getting away with measures leading to ill results and filling up lacunae in the laws. These tendencies which arose among the co-operative societies most deeply interested, manifested themselves in the resolutions of the representative bodies of the various provinces and in the discussions of the Imperial Diet.

Though, after many years of effort a law of June 10th., 1903 had partially reformed the original law with regard to obligatory supervision of co-operative societies, yet the need of a radical reform remained. The results of this partial reform clearly demonstrated the insufficiency of the law of 1873 for the advanced state of co-operation. The Government did not ignore the ever increasing need of a new law based on past experience and adapted to altered legislative conditions. In fact, as long ago as 1897 a bill to this end had been introduced into Parliament, but it was not discussed owing to the closing of the session in the meantime.

In 1909, a new bill, the result of studies on the subject by competent persons assembled at the Department of Justice, was drafted and sent to all the Chambers of Commerce for their opinion.

Their comments and the changes recommended in committee radically transformed the bill, which is now ready for discussion in Parliament. It is hoped that in its present form it will in a just and efficacious manner meet the needs and desires of those interested, taking due account also of the experience obtained in the field of co-operation.

This Government bill, so long expected and promised, was hailed by the co-operative societies with great satisfaction, somewhat diminished, however, when its contents were fully known. Yet it was undeniable that, taken as a whole, it was an excellent legislative measure, showing that the Government had endeavoured to meet the desires of all classes of co-operation. Yet it must be admitted, that it contains clauses calculated to limit the independence of the societies, and against these all those interested rose up unanimously. It is hoped that these objectionable clauses as well as certain other rules liable to hurt or hinder the development of co-operation will be eliminated and then the new law will no doubt give a fresh impulse to the already great progress of co-operation in Austria.

To show the important part which co-operation takes in the economic life of the country, it suffices to say that on the 1st. of January, 1912 there were in Austria, in all 17,841 co-operative societies (amongst them 799 credit banks of the Raiffeisen type, and 3,599 societies of the Schulz Delitzsch type), to which may be added 92 federations of co-operative societies. According to the statistics annexed to the statement of the reasons for the bill, the 13,807 co-operative societies existing at the close of 1908 included more than three millions of members who had subscribed shares to the amount of 220 million crowns; 8,513 co-operative societies which had furnished more detailed information, had 2,263,436 members and 2,202 million crowns in savings-bank deposits, and had borrowed 284 million crowns. They had granted credit for 1,914 million crowns, the value of their shares was 168 million crowns, their reserve funds 105 million crowns and the sum of their assets and liabilities 2,828 million crowns.

Before entering on a detailed examination of the provisions of the new bill, it may be well to consider the fundamental objects of the reform. Amongst the more important modifications of the law at present in force come that of the rules regarding the liability of members and the substitution for unlimited liability of unlimited obligation to pay supplementary calls.

Under the original law the liability of the members of a co-operative society of unlimited liability was in general regulated like that of an ordinary company. Therefore members of such a society were liable to the extent of all their property for the engagements of the society which it was unable to meet with its own capital. Thus each member could be obliged directly to the creditors of the society to give up all his property for the complete liquidation of the debts of the society on its failure. Besides, the members were obliged, after the president has divided the amount of the debt among them, to contribute to make good the losses of the society.

Experience, however, was not slow in showing that rules which might be applicable to a small society could in no way be applicable to one with many members. According to the statistics accompanying the bill, we see that in 1908, 1 credit co-operative societies had an average of 265 members (the 1000 savings-banks 126, the Schultze-Delitzsch 636) and the others 5. In the statement of the reasons for the bill it is further shown that, in view of the great number of members it is almost impossible for each member to influence the financial action of the society or have any but a very slight acquaintance with its situation, so that he is not prepared for the contingencies of unlimited joint and several liability.

Under the present law, the failure of a co-operative society of unlimited liability always brings in its train the economic failure of all its members, who are personally liable to all its creditors. Yet the interests of the creditors are not sufficiently protected, for it may happen that the only member who profits by the unlimited liability of members is he who succeeds without delay or scruple against the richest members.

To remedy these defects the new bill proposes to suppress direct liability on the part of creditors even against members of an unlimited liability society, whom it places on the same level as those of limited liability societies. Creditors must not be reimbursed to the amount of the debts due to them except when the debt is distributed among all the members. However, there is no limit to the obligation of members to provide by supplementary payments for the liquidation of debts connected by the society. They contribute in this way until the creditors are satisfied or until the means of the members are exhausted.

This system of distribution of liability proposed in the new bill is much more efficacious than that at present in use. In the proceedings in a case of failure of a co-operative society, the distribution will be decided much more quickly than at present it is, immediately after a general liquidation has been decided on, while at present it is not made until after a definite plan has been arranged. Besides, the charge of drawing up the plan of distribution of the debt will be assigned to the commissioner of bankruptcy instead of the president or members of the co-operative society who are not generally sufficiently energetic for the task.

By another fundamental innovation, co-operative societies are enabled to tide over periods of financial difficulty by promptly obtaining, through supplementary payments by their members, the sum required to save them from dissolution. Even according to the most liberal interpretation of

the law now in force; the legality of appropriating supplementary contributions to make up for decreased payments cannot be admitted as long as the co-operative society is in working order. It can only trust to the goodwill of its members in the case of its requiring contributions over and above the amount of the shares already paid up, to cover losses and avoid bankruptcy. On the other hand, the bill, in its provisions, allows the co-operative society to require from its members further contributions over and above the shares already paid up by each, when it has been necessary to use the share capital to cover the losses of the society: such contributions must not exceed three times the shares. This will provide the societies with an easy method of meeting temporary embarrassment, and will thus ensure their vitality.

The new provisions as to supplementary liability and its application have been received with satisfaction by the persons interested, in the certainty that they will help to save from ruin a society calculated to live and prosper. Above all the bill provides that in calculating the debt of the co-operative society, the credit and the reserve fund must be entered among the liabilities, and also that the balance of the amount of the share of the members and the supplementary contributions must be considered as belonging to the assets. When the debt does not exceed certain limit (a quarter of the approximate amount of the supplementary payments) there can be no declaration of bankruptcy, while, on the contrary, according to the rules now in force, an insufficiency of share capital in proportion to the debt involves immediate bankruptcy. Nevertheless, according to the provisions of the bill, every precaution must at once be taken; for instance supplementary contributions must be exacted, the value of the shares must be increased, etc. in order to discharge the debt within two months at the latest. In the case of a co-operative society already dissolved, the limit of the debt may be extended (to half of the approximate amount of the supplementary payments) without involving a declaration of bankruptcy, since, as soon as the society is dissolved, the danger of further loss is less than in the case of a society in working order. By avoiding bankruptcy the losses both to members and creditors, caused by the fall in the value of securities, will also be avoided.

Having spoken of these fundamental innovations contained in the bill we shall now point out the more important of the modifications which it introduces into the law in force.

With regard to organisation, it is provided that every co-operative society entered in the registers kept in the law-courts must have a *minimum number of seven members*, nor must this minimum ever be afterwards reduced.

Certain abuses which have arisen in some co-operative societies explain certain precise provisions regarding the *title and signature of the society*. This bill also forbids societies to issue shares differing in value, as commonly done by some co-operative societies. Henceforth the shares must be of the same for all members. Unlike the former law, this bill enacts that *the tenth of the shares must be paid up at once*, while a term of payment for the re-

be fixed in the rules. Another point in which this proposed law differs from the former one is that the formation of a *reserve fund* is not compulsory. Another important provision is that co-operative credit and disjunctive societies are prohibited from carrying on *business for the advantage of non-members*.

The second portion of the bill is devoted to the *administrative organisation* of co-operative societies. The failure of a co-operative society is due to the fact that the management of its affairs is entrusted to one person alone; the bill therefore requires the concurrence of at least *two members of the governing body* for every decision, and more especially for *any signature on behalf of the society*. For the same reason, it is forbidden to *appoint a proxy or other representative with full powers* for the whole business.

By the law hitherto in force the appointment of a *council of supervision* is optional, but by this bill it is compulsory. The duties of such a council must be exclusively confined to inspection, and must be strictly separated from those of the governing body. One provision, which has been opposed by the co-operative societies, empowers the *registration office in which the name of the co-operative society is entered*, in certain cases to appoint additional members of the council of supervision.

The bill to some extent resembles the German law in that it confers powers on the *general meeting*. This body can fix the amount of loans and of savings-bank deposits of the co-operative society and the limit of credit to be granted. There are other innovations respecting the *holding of the general meeting* which must be held once a year, but it may also be assembled at the request of one-tenth of the number of members. Should this be refused, the applicants may be empowered by court to proceed to assemble the meeting.

The law now in force does not decide whether each member of a co-operative society has a right to at least one vote in the general meeting. The bill decides this in the affirmative. It also allows the sending of a representative, and authorises *meetings of delegates* in the case of a co-operative society of more than 1,000 members.

To a sufficiently large minority of members this bill grants certain definite rights: among others the right of demanding compensation for damages if the governing body should violate the laws or regulations, also in certain circumstances the right of sending a delegate to the council of supervision, of demanding the assembly of the general meeting and the discussion of motions, and of delaying their approval of the financial statement, if all necessary explanations have been given, etc. The co-operative societies are averse to these provisions respecting the rights of minorities. In opposition to the concession made to minorities of the right to be represented in the council of supervision in spite of the opposition of the majority is easily understood, for such a concession may involve much inconvenience. There is no reason for disputing the other privileges granted by this bill to the minority. Their introduction into this bill is the result of the

prevailing tendency to protect minorities which has found expression in all recent laws respecting societies.

The part of the law concerning *supervision* is, on the whole, modelled upon the special law of June 10th, 1903, although as regards certain points more rigorous measures have been introduced, corresponding for the most part with the desire of federations of co-operative societies to give greater importance to supervision. The bill grants the department of supervision more ample powers and a more definite influence in putting the necessary measures into practice. Should the inspector find any reason for taking exception, he may delay the execution of the measures for a term, not only in case of a violation of the law or of the rules of the society but also in case of serious mistakes in the management of business. On the expiration of the appointed time, the registration office in which the name of the society is entered may proceed to annul such rules as are contrary to the law, and require the rectification of the mistakes that have been found, enforcing its injunctions by means of penalties. The office of supervision will besides have the right of sending the inspector to the general meeting of the co-operative societies to be inspected. A new provision, opposed by some, directs that the report of the council of supervision, shall be presented to the general meeting, not by the president, but by a member chosen by the meeting itself.

The reason of this innovation is that it has often occurred that the presidents in presenting their reports have passed over in silence such points as were not agreeable to themselves.

Another very important right conferred by the bill on the court in the office of which a society is registered is that of dismissing one or more members of the presidential office. But this innovation is opposed by some of those interested, on the ground that it diminishes the independence of the societies, and not without reason, because experience has shown that these courts have not the necessary cognizance of co-operative affairs.

The next part of the bill refers to *amendments of the rules*, and, contrary to the existing law, it permits co-operative societies to *transform* themselves into unlimited liability societies when certain precautions have been observed. This innovation meets a need which has been keenly felt, considering that under present conditions such transformation could only take place through the dissolution of the society and the establishment of another. In the interest of creditors the bill also takes precautions as to those amendments of the rules which introduce radical changes in the proceedings of a society, such as the *raising of the price of shares and the introduction, increase or diminution of the obligation to pay supplementary calls*. By another new provision decisions concerning changes in the management of business, the raising of the value of shares or the extension of liability, etc. are not legally binding on those members who have voted against them in the general meeting or on those who were absent, if within 14 days they retire from membership.

The present law contains no provisions for the establishment of *branches*, and this has resulted in much inconvenience, more especially

the co-operative credit societies. By the bill, co-operative credit societies are empowered to establish branches only in the province in which they are situated. From this privilege co-operative distributive societies are excluded.

A very important part of the bill is that which refers to the *legal relations between co-operative societies and their members*. Let us note especially the provision by which no member of a co-operative society may hold more than one share not entirely paid up. The only exception is in favour of agricultural co-operative societies the members of which are obliged to make periodical payments in kind. With regard to these societies, the amount of produce to be furnished by each member is in proportion to the number of shares that he has to take; in such cases it would be inexpedient to keep to the above mentioned limit.

It is not possible to establish a *fixed rate of interest on shares*. We have spoken above of *supplementary payments*, which may be exacted to complete the amount of shares diminished by losses, but must not exceed three times the value of the shares. In case of liquidation or of failure of co-operative societies of limited liability, these payments may be exacted within the limits of the liability, but this does not apply to co-operative societies of unlimited liability.

Members will be admitted as hitherto on their making a request in writing. According to the present law there is no established form for such requests, but, according to the bill, besides the name, profession and address, also the number of shares that the applicant wishes to purchase, as well as the amount of supplementary payments and the corresponding obligations, must be specified in them.

Though these regulations seem justifiable from a legal point of view, yet in practice they are open to serious objections. Especially in the case of agricultural co-operative societies of production in which the number of shares held by members varies according to the amount of land or the number of head of cattle, etc. that they possess, it will be seen that it is impossible at every variation in the number of shares to require the renewal of the request. Besides, admission, according to the bill, would be an exceedingly complicated matter, and would constitute a contract in the true sense of the word and would not be adaptable to the conditions of the country.

The provision by which a co-operative society may request a member to leave the society is also new. Hitherto, a co-operative society could only exclude a member by expulsion, a proceeding more or less humiliating, while the resignation of membership may be required merely on reasons of expediency, for instance when a co-operative dairy wishes to restrict itself within narrower territorial limits. In such a case to expel a member merely because he resides beyond these limits would be a somewhat harsh measure; therefore the bill facilitates the dissolution of the agreement with a member after due notice from the society.

A very important innovation is contained in that part of the bill which refers to the *reports of co-operative societies and the list of members*. Under present conditions the register containing the list of members is kept by

the president of the society. Considering the importance of the judicial consequences legally attaching to registration, any want of accuracy might be attended with serious inconvenience. The bill obliges the courts to keep a list of the members of all the co-operative societies in their registers so that a member will always be liable till his name is erased from the list. All presidents of co-operative societies will be obliged to furnish, every three months, to the registration offices a list of the newly admitted members with the number of shares held by each and at the end of each year they must furnish a complete list of all the members who have resigned, and notify any other changes that may have taken place.

The only exceptions to this provision are for those limited liability co-operative societies according to the rules of which the compulsory supplementary payments must not exceed 40 crowns. The provision applies in general to co-operative distributive societies which often have thousands of members and in which the shares do not usually exceed ten crowns.

Co-operative societies of every kind have made objections to these innovations because they impose enormous labour not only on the societies but also on the courts, labour which is often inefficacious, because of the difficulty of verifying the truth and accuracy of the lists and documents supplied.

Every request for admission must in future be deposited at the court in the office of which the society is registered.

As regards the legal position of the societies it must be specially observed that under a certain provision of this bill all co-operative societies are regarded as *merchants* in the sense of the word in the commercial code. But by the existing law the word is only applicable to co-operative societies partially or solely engaged in commercial transactions.

By the same section of the bill, co-operative societies are forbidden to engage in certain undertakings. The reason for this rule is that the legal form of the co-operative societies excludes such undertakings. Thus co-operative societies must not construct or work railways, or work mines or quarries, nor extract minerals and bituminous products, because all these require a considerable amount of capital always available, a condition which co-operative societies cannot fulfil. For similar reasons co-operative societies are not permitted to issue letters of credit.

The bill also forbids co-operative societies to carry on insurance business, though permitted by the present law provided the sanction of the State has been obtained.

Of all the provisions of the bill the most criticised is that which requires every member of a co-operative society for production to be furnished with a license when it is compulsory for others engaged in the production. Should this provision be enforced, it would mean the ruin of all co-operative societies of this kind. It is to be hoped that the unanimous opposition of all interested persons will have the effect of eliminating from the bill a clause suggested in the interests of the middle class.

By the same section, *co-operative societies of credit* are forbidden to grant credit to non-members, and *co-operative distributive societies* to sell

in goods to them. Co-operative credit societies are permitted to place funds at their disposal only in establishments which are obliged to publish their accounts. Exception is made only in favour of the central offices of the Raiffeisen banks inasmuch as their capital, so the bill declares, is generally far above the needs of credit of federated co-operative societies. Therefore, to oblige federations to place their capital only in establishments which are compelled by law to publish their accounts is put serious hindrance in the way of their business.

One of the most important provisions of the bill is that which fixes a limit for the amount of deposits in co-operative societies. For limited liability co-operative credit societies, the limit is fixed at five times the amount of their capital, and for those of unlimited liability at fifteen times. But in the case of limited liability societies this maximum may be raised fifteen times the capital, if the value of the shares and the liability of the members be increased in the same proportion.

In this case also the Raiffeisen banks are excepted for the reason stated in the bill, viz. that their capital is of quite secondary importance as compared with the liability of the members, which is calculated upon the total amount of their landed property. Besides it is of little use to fix a maximum limit to the amount of deposits to be accepted, considering that this amount is limited naturally by the extent of the field of action of a Raiffeisen bank. The bill declares that it is necessary to fix a limit for deposits in the Schultze-Delitsch co-operative credit societies, because of the proportion frequently existing in these banks between the share capital and the borrowed capital; a disproportion which if the society should be in financial difficulties might have very serious results. Though these reasons are not without foundation, yet the limit fixed seems to be too low, and it ought to be raised, lest its enforcement should endanger a large number of co-operative societies.

On the other hand, all the federations of co-operative societies have been unanimous in receiving favourably that provision of the bill which requires that one quarter of the deposits shall be so invested that the money may be realised at any time. The part of the law dealing with the accounts of co-operative societies contains no important innovation except a provision according to which the annual report hitherto limited to a profit and loss account, must henceforth include a banking account (specification of receipts and payments). But in the section concerning the dissolution of co-operative societies there are very important innovations. It includes provisions to which we have already referred with regard to application of the principle of supplementary calls, and permits an escape from bankruptcy should the amount of the debt not exceed a certain sum. We may hesitate somewhat in view of the rules by which governmental authorities (the Administration of Finance and the court in the office of which the society is registered) have the right of dissolving a society. According to the present law, these authorities can only enforce this right when a society has broken the law but under the new bill such dissolution may be ordered if the so-

societies have carried on business forbidden in the bill itself (issue of bonds and cheques).

The office in which a society has been registered can also, on the demand of the Minister of Finance, proceed to the dissolution of this society if rules are found to be contrary to law, or if the number of its members remains for a specified time below 7, if it does not cease carrying on business contrary to the law or the regulations, in spite of fines or the deposition of its president. To these provisions the societies strongly object, as considering limiting their independence. In granting this power to the courts, they lay a responsibility on it which it may find it difficult to assume.

It is not necessary to examine in detail the projected rules concerning *liquidation, failure and liability* which are only modifications of the existing law in accordance with the radical innovations of which we have already spoken. Nor shall we here examine the rules relative to competent authorities and procedure, rules increasing the penalties that can be imposed by the court in which the society is registered.

We shall mention, however, one regulation which has been vigorously debated by the societies; this is § 154 of the bill, and treats of the inspection of the societies by the Department of Finance. According to this paragraph, when important reasons of expediency in regard to financial affairs and the necessity for more precise information as to their financial conditions or the transactions of a credit co-operative society require it, the Department of Finance may require from the federation or the provincial council or eventually from the legal inspector, a copy of the annual report and exercise or cause to be exercised supervision over the management of the society.

Such supervision seems excessive, calculated as it is to destroy all the independence and responsibility of the societies. One can admit that, on account of some irregularities in certain societies which are not always be classed as violations of law, all the other honourable and well managed societies should have to submit to such severe regulations.

We have now concluded our examination of the most important features of the bill. We should be carried too far were we to touch on the important modifications of the present law. This bill has some notable advantages, as we have already shown. From a legal point of view it is excellent, and its contents represent an advance and are of great value to co-operation. It is a proof of a sincere effort on the part of the Government to do justice to the different forms of co-operation, and to favour and consolidate the co-operative movement. If the bill is not completely successful in every point we need not be surprised, if we consider the great extent and difficulty of the task. Nevertheless, its defects are sure to be rectified. All the federations of Austrian co-operative societies have taken a definite attitude towards the bill, and it may be hoped that in the parliamentary discussion the defects we have pointed out may be eliminated. Co-operation in Austria will then be under a good law, a model law in some respects and one which cannot fail to exercise a beneficial influence on the movement.

CANADA.

CANADIAN WOMEN'S INSTITUTES.

OFFICIAL SOURCES:

REPORTS of the Women's Institutes of the Province of Ontario (1905-1912), published by the Ontario Department of Agriculture (Toronto).
HANDBOOK OF THE WOMEN'S INSTITUTES. Ontario Department of Agriculture. Toronto, 1910.

The third International Congress of Farmwomen's Institutes is to be held at Ghent in June. This useful institution originated in Canada, and we have considered it would be interesting to give some details here of its organization. Our information is obtained from the Province of Ontario, where the Institutes have already been fifteen years in existence and are especially flourishing.

§ I. ORGANIZATION OF THE WOMEN'S INSTITUTES OF THE PROVINCE OF ONTARIO.

The earliest women's institutes of Ontario date from 1898. They are generally organized in districts; after they have been officially approved they receive subventions and are subjected to inspection. Their object is:

"to diffuse ideas on domestic economy, health, nourishment and housekeeping, and more practical ideas on clothing, heating and lighting, the scientific education of children, and the means for improving the moral and physical conditions of the population."

Each women's institute is generally affiliated to a men's institute.

Sections may be organized in any district.

The Secretary makes a monthly report on the work of the section and the number of members; and makes out the accounts for the general assembly held in June. Independently of this meeting, the Institute as a rule holds others, two or three times a year. Each member is supplied by the association with its tracts and publications.

The board of management of the Institute is composed of a president, vice president, a secretary and treasurer and one or more members. It dis-

rects the work of the Institute and is open to re-election every year. Finally two commissioners are elected annually to examine the accounts. Any change in the Bureau must be reported to the "Superintendent of the Institutes."

He attends the general meetings of the Institutes of the district or represented at them by a delegate and he appoints the lecturers.

In the general meeting the secretary presents a detailed report in writing on the work of the year, giving the number of meetings, lectures, conversations, the results of the discussions etc.

She further reports on the financial situation.

In addition, the meeting prepares the programme of study for the next session and examines into the most suitable means for promoting the progress of the association.

Official instructions define the powers of the various members of the board: president, secretary, etc., and lay down rules for the conduct of the meetings.

The practical handbook published by the Department of Agriculture also gives advice that it is well to follow in order to escape difficulties that may lead to the dissolution of an institute. The following are a few of the proposals in regard to the secretaries.

It is recommended to remunerate them on a uniform basis, with a fixed amount for fifty members and an additional amount for each additional fifty members. This increase is necessary, for success or failure depends largely on the secretary. She must be amiable, intelligent, zealous and active. A bad secretary would ruin the Institute.

Most of the presidents and members of the bureau of the institute are unremunerated: in exceptional cases they meet the expenses out of their own pockets.

Posters and programmes are given an attractive form. Some Institutes allow advertisements on the back of their printed cards and bills in this way in proportion to the circulation. The agents engaged in propaganda always carry with them some tracts to induce those interested to join the Institute.

Finally, in certain institutes, in view of the timidity of some of the members, the ingenious system of boxes or drawers for questions has been instituted. These boxes are intended to receive the written questions of members who have not the courage to ask aloud for the explanations they require. The questions written on tickets are included in the agenda of the next sitting and studied by the most competent members.

As for their resources, most of the sections derive their exclusive income from the contributions of their members and from Government subventions. Sometimes there are also subventions from the committee and the association to which the section belongs. Some Institutes, few in number, however, are founded with the special proceeds from a festival or the sale of books, reviews etc.

§ 2. PROGRAMMES OF STUDIES AND MATTERS DEALT WITH.

In order to facilitate the task of the Women's Institutes, the hand book contains, by way of suggestion merely, lists of agenda for the general meetings.

The programme proposed for twenty sessions is as follows:

- (1). Yeast. History and Origin. Baking. Use of Dough.
- (2). The Kitchen. Plan. Arrangement, What to do when a Visitor is unexpectedly.
- (3). Fruit. Salad. Engravings. Their Use. Children's Duties. Personal Responsibility.
- (4). Washing. Clothes. Attention and Mending. Practical Lessons.
- (5). Milk. Value: Danger. Influence of the Home on Children. Care of Same. Purchase. How and when to Buy. What to Buy.
- (6). Cleansing and Sterilisation of the Milk Receptacles. Water. Baths. Pantries. Sleep. How and when to Sleep.
- (7). Preparation of Winter Vegetables. The Sun as a Disinfectant. Sick rooms.
- (8). Grain. Nutritive Value. Conversation at Table. Carpets. Furniture. Selection.
- (9). Fish. Nutritive Value. Influence of Gaiety on Digestion. Plates and Dishes. Care of Same.
- (10). Cheese. Programme of Work for the Day and for the Week. Cleaning and Dusting.
- (11). Cost of Various Articles of Food. Their Nutritive Value. Order. Dishes, Well Prepared, Properly Served. Influence. Rights of Parents and Children.
- (12). Vegetable and Animal Food. Use. Value. Prices. Houseplants. Arrangement of Bedrooms.
- (13). Eggs. How to Prepare them. Losses through ill considered uses. Care of the Bed and Bedding.
- (14). Selection of Food at the Market. Best Way to Prepare it. Food Reading.
- (15). Pastry. Its Value. Its Dangers. Family Duties of Boys and Girls. Woollen Clothes. Bedding. Sheets. Care and Washing.
- (16). Cakes. Various Household Events. Cost of Life.
- (17). Drink at Meals. Rations for a Farmer's Household. Lamps. Care of them.
- (18). Use of Ice in the House. Disinfectants. Arrangement of Gardens and Sheds.
- (19). Care of Children of less than Two Years. How Children may be cared for by their Mothers. How to Dress Children.
- (20). Good Books for All. Various Household Receipts. Their Use. Nourishment of the Sick.

The following are the Subjects of Study proposed for the Members of Women's Clubs of Ontario. The discussions were held chiefly at sectional meetings.

1. *Food.*

Kitchen Chemistry. Chemical Composition of Food. Nutritive Value. Energy Produced. Price and Value. Animal and Vegetable Food. Comparison of Values. Prices. Economy in Use. Requirements of the Body when in Health, when Sick.

2. *Water :*

Sources : Supply. Impurities. Dangers. Effects on Health.

3. *Ice :*

Origin. Dangers. Household Use. Effects : in Health, in Sick.

4. *Frozen Food :*

Composition and Value. Ice Cream Making.

5. *Milk :*

Use of Milk and Cream, at Table. Nutritive Value. Danger of Milk as Exclusive Nutriment of a Baby. Milk Dishes. Supply. Selection of Milk Cows. Their Nourishment. Water. Attention to Hygiene and Sterilisation of Utensils.

6. *Butter and Cheese :*

Manufacture. Preservation. Storage. Cheese as Food. Value.

7. *Eggs :*

Value and Employment. Selection of Hens. Care of the Poultry as Food. Preparation and Carving.

8. *Meat :*

Composition and Preparation. Nutritive Value. Choice of Value and Qualities. Selection at the Market. Best Methods of Preparation for the Different Dishes. Fish.

9. *Vegetables :*

Summer Kitchen Garden. Winter Vegetables. Their Development. Methods of Keeping them. Value. Kinds. Respective Value. Preparation for the Table.

10. *Fruit :*

Nutritive Value. Use. Small Fruit. Preservation. Varieties Recommended. Principal Qualities.

11. *Bread :*

Wheat. Varieties. Uses. Flour. Production. Employment.
Baking.

12. *Grains :*

Value. Preparation.

13. *Salad :*

Green Salad. Meat, Vegetable and Fruit Salad.

14. *Dessert and Pastry :*

Pastry. Value. Puddings. Use and Value. Other Sweets.

15. *Beverages :*

Tea. Coffee. Chocolate. Cocoa. Summer Drinks.

16. *Hygiene :*

Household Sewing. Provisions. Treatment of Remnants. Care of
s, Drains, and Water Closets. Care of the Cellars. Corruption of Fruit
ugh Infiltration. Sanitary Conditions of Cattle Stalls. Care of Bed-
15. The Sun as Disinfectant. Physiological Effects of Light and
1. Dust and Microbes. Disinfection.

17. *Surroundings of the House :*

Way to have a good Lawn. Flowers and Shrubs for Cultivation.
liness Everywhere. Care of the Yard, the Sheds, and Coachhouses.

18. *Arrangement of the House.*

Separation of the Work Rooms and Living Rooms ; the Kitchen and
dry. Plan and Arrangement of the Kitchen, and Laundry. Sitting
m. Sickroom. Bath Room. Cellars. Water Closets. Heating and
ilation : Various Systems. Prices. Plumbing.

19. *Furniture :*

Colours, their Effects. Floors. Flags.
Curtains, Kinds, Choice. Effects to be Produced. House Plants.
avings. Furniture from the point of view of Taste. Bedroom Furn-
1. The Kitchen.

20. *The Table :*

Table Linen : Care and Purchase of. Arrangement of Table. Service,
nary Dishes : Preparation and Service. Conversation at Table.
fulness. How to Banish Anxiety from the Family Table.

21. *Household Management :*

Servants, their Wages, their Education, their Rights and Duties. Loss
Economy in Food and Fuel. Application. A Good Housekeeper's

Work in a Week. Daily and Weekly Programme of Work. Annual Cleaning. Insects. Washing and Ironing. Washing of Woollen Cloth. Sheets and Blankets, Bedding. Repairs in Summer. Floors and their Maintenance. Sweeping and Dusting. Mending of Blankets and Curtains. Bed Furniture and Bedding, and Clothes. The Cellar and the Garden. Care of Lamps. Kitchen. Organisation of Work. Visits. Rest.

22. *The Family :*

Rights of Parents and Children. Duties of Mothers, of Girls, of Boys. Special Duties. Family Reading: Good Books. Visits. Entertainment of Guests. Duties towards Guests. Recreation and Games. Influence of the Household on Children, on the Formation of Character. The Farm and the Farmer's Wife in the 20th. Century.

23. *Accounts :*

The Cost of Life. Distribution of Household Expenses. Education of Children. Expenditure. Purchase. Losses to be Avoided. A Diet for four Persons for a Dollar.

Quite recently the tendency has been manifested in the institutes to combine practical experiments with theoretical discussions. Six institutes of the County of Haldimund have made an arrangement with the Department of Agriculture upon the following lines :

The Department undertakes to supply all the material required except the tables, chairs and kitchen stove, undertakes to pay the cost of feeding, lodging and travelling of a professor to give fifteen cool lectures in each of the Institutes at the rate of one a week. This professor must receive at least a week in advance in writing all the instructions necessary with regard to the local markets or such or such special preparation. The Institutes arrange together to distribute the lectures, each week, as most convenient for the mistress; their advertisements and all of printing is at their own cost. They arrange for all the propaganda necessary with a view to procuring the lecturer a large audience. Each institute makes its own propaganda, provides the hall, which it furnishes with tables, chairs, and kitchen stove, and lights, cleans, etc. It employs an assistant at the disposal of the professor, and this assistant must open the doors, purchase the supplies and light the lamps. The institute guarantees a sale of at least 25 subscription cards at a dollar each, giving a right to attend fifteen lectures. The twenty five dollars are forwarded to the Department of Agriculture, together with half whatever extra may be received.

The Institute has the right to sell tickets for a single lecture.

The success of this organization was fully recognised at the General Assembly of the Ontario Institutes, held on November 15th. and 16th., 1911.

§ 3. STATISTICS AND RESULTS.

We reproduce below from the reports of R. George A. Putman, General Superintendent of the Institute, certain statistics in relation to the Women's Institutes of Ontario Province.

	Year Ending May 31st., 1905	Year Ending May 31st., 1910	Year Ending May 31st., 1912
Number of Members	7,018	16,104	20,861
Number of Meetings	1,426	5,483	6,976
Number of Lectures Given	2,380	8,171	10,041
Total Number Attending	54,329	140,388	177,342
Number of District Institutes	69	90	99
Number of Local Sections	208	560	700

At the General Meeting of 1910, Mr. Putman summarised the results as follows :

The Institutes have contributed enormously to the formation of good housekeepers who understand their business and remember their responsibilities.

It is found that the members of Institutes do their household work with more pleasure and more easily for having learned to do it methodically, they prepare healthier food and often more varied dishes ; they obtain better results with less expenditure of labour. They are kept in touch with the general work, by reading books or pamphlets on the object of the next meeting or devote themselves to instructive and improving reading.

The mothers inspire in their children a love of the country and give them a more serious training.

The new members are above all young women and young girls who bring their work with them, compare it with that of others, and discuss the methods in use. It is proposed not only to aim at improving the conditions of family life, but also at assisting and succouring the numerous emigrants who come to Canada. Finally, the Institutes have contributed to a large extent to the extinction of the small personal enmities of their members. Nothing more is wanted to assure their success.

FRANCE.

I. SOME NEW FORMS OF AGRICULTURAL CO-OPERATION.

SOURCES:

ANNALES DE LA MUTUALITÉ ET DE LA COOPÉRATION AGRICOLES (*Annals of Agricultural Mutuality and Co-operation*), July and December, 1912.

As agricultural co-operation extends over a country it gradually assumes the most varied forms. Sometimes, these forms are entirely new, because they have originated in new necessities. The co-operative societies we are going to describe are thus, at least in certain cases quite original: others have been founded in imitation of societies existing elsewhere. Both groups deserve to be studied, since they witness equally to the progress of the co-operative idea and its adaptability.

§ I. CO-OPERATIVE SOCIETIES FOR THE COLLECTION AND SALE OF EGGS

We know that the collective selling of eggs began in Denmark. In that little country the first egg co-operative society was founded in 1894; the results were so good that similar associations were founded all over the country. There are now more than 8,000, in which 70,000 farmers are associated.

The first French organization for the co-operative sale of eggs was formed in 1904 by the Co-operative Dairy of Tennie (Sarthe), on the initiative of M. Dezalay, a notary of Tennie. This organization served as the model for the Échiré Egg Co-operative Society, founded in 1907 by M. Cail, President of the Co-operative Dairy of Échiré (Deux-Sèvres).

At Tennie it is the Co-operative Dairy that has undertaken the collection and collective sale of eggs; the work in connection with the eggs is not kept quite separate from the dairy business. At Échiré the Co-operative Egg Society has its own rules, independent of those of the dairy; farmers who have no cows but who have poultry may

as belong to the Co-operative Egg Society. The new societies founded in the Charentes and Poitou have been formed on the model of the third Co-operative Society. There are such societies now at Saint-Hilaire-la-Palud, Mauzé and Saint-Loup-sur-Thouet, in Deux-Sèvres; Bois-Hardi and Chailli in Charente-Inférieure, and at Pérignac in Charente.

According to the rules, each member is bound to consign to the society his whole supply of eggs except what he requires for household use. He is forbidden to sell any to dealers. The eggs are collected at least once a week; the member must mark each of his eggs with a number, and each egg must be of sufficient size. The members are bound to deliver only fresh eggs collected since the last consignment. Eggs recognised as not fresh, on testing, as well as those under size, are returned to the farmer; in case of a second offence, a fine is imposed and if the consignments continue to be unsatisfactory, the Board of Management may expell the member from the society.

The foundation of an Egg Co-operative Society entails no serious expense. All that is required is a shed for the reception and packing of the eggs, baskets for collecting them and wood for making the boxes, but is a few thousand francs. The initial expenditure is gradually paid, by means of monthly deductions from the produce of the sale.

The eggs are collected either by a special employee, or by the milkman. The eggs marked with the member's number are sorted into two classes, and arranged in baskets and carried away in the co-operative wagon. On arrival, the cases are received by the tester and packer, who satisfies himself that the eggs are fresh and the sorting correct. An expert can test from 800 to 1,000 eggs an hour; there are, besides, arrangements facilitating the rapid and automatic execution of the work of testing and sorting. At Saint-Hilaire-la-Palud, the eggs are only divided into two classes, according to size; in other societies there are three classes, large, medium and small.

The eggs, after being tested and sorted, are arranged in layers, placed one above the other in boxes which are forwarded to the Paris Central Markets. In proportion to the guarantee offered and their good appearance, the price of the eggs of the co-operative societies are higher than those of eggs not sorted. It is almost always (even after deduction of the general expenditure and cost of forwarding and sale) considerably in excess of the quotations on the local markets.

In the Saint-Hilaire-la-Palud Co-operative Society, the number of eggs collected per month varies from 65,000 (March) to 50,000 (November); its manager considers that by means of the Society the members realise a profit of from 1,200 to 1,300 francs per month for eight months and of from 250 to 350 frs. per month in the winter. The annual revenue of the Saint-Hilaire Society amounts to 40,000 francs, whilst before its foundation the members would only have received from 25,000 to 30,000 frs. for the same number of eggs.

In the case of the Pérignac Society, between January 20th. and April 15th, 1912, the excess of the prices received on the Central Market per dozen eggs over those paid by local dealers varied from 25 to 30 centimes. Certain members have thus, thanks to the co-operative society, gained from 30 to 40 francs per month.

In 1912, the Egg Co-operative Societies of Poitou and the Charentes united to form a more important association, the *Union of the Societies of Poitou and the Charentes for the Collection and Sale of Eggs*, with headquarters at Niort, and we are advised that other co-operative districts will soon found mutual societies for the sale of eggs.

§ 2. AN ASSOCIATION FOR THE PURCHASE OF MANURE.

In Aisne, a contractor had arranged for the removal of manure from a cavalry barracks, with 650 horses in its stables, and its sale to farmers on terms very advantageous for himself but exorbitant for them. Resolved to put an end to this, the farmers whose interests were suffered decided to form an association. Purchase was centralised at the headquarters of the association which undertook to assure equal distribution among all the members, with the suppression of middlemen.

The principal clauses in the rules of this special syndicate are as follows:

First of all the members agree, in case tenders are not called for in future years, all to bind themselves to purchase manure only from the delegate of the association. In guarantee of his engagement every member has to give security, before the first consignment, of 60 centimes per cubic metre of manure asked for. The total amount of this guarantee serves to cover the advances made by the treasurer. It constitutes a reserve fund and is a proof of the engagements undertaken by the various members.

It is a consequence of this arrangement that, in case of any member breaking his engagement and buying manure at auction through an intermediary other than the person designated by the association, he shall forfeit his security and shall cease to be a member of the syndicate.

As far as the distribution of the manure bought is concerned, the association has adopted wise measures giving its members every security. The consignments are checked with the greatest care, a paid checker to this, notes the amounts consigned and gives receipts.

In addition, in every commune of the canton in which it works, the association has appointed a delegate who carefully supervises the delivery of the manure to the farmers of his commune; it is also his duty to ensure the perfect working of the office book-keeping. The manure is delivered three times a week for cash payments.

We see that this association was planned on very scientific lines, to satisfy all its members, and what it is important to keep in mind is that, thanks to this union, the farmers can obtain manure at the lowest price and, through the medium of the association, may make contracts for the whole year for the estimated amount of their requirements.

§ 3. AN AGRICULTURAL CO-OPERATIVE TRANSPORT SOCIETY.

In Seine-et-Marne, the farmers of the districts of May-en-Multien and Plessis-Beauval could no longer find men and animals in sufficient number to transport their beetroot to the sugar refinery at Lizy-sur-Ourcq and if it had not been supplied by the farmers of these districts, the refinery would not have been able to go on working, for want of sufficient raw material. They therefore thought, in April 1909, of founding a co-operative transport society for laying a narrow gauge railway, not only for the carriage of beet from May-en-Multien and Plessis-Beauval to Lizy-sur-Ourcq, but also for the carriage of various kinds of agricultural produce: wheat, straw and forage, and again bringing to the farmers from the factory the pulp and the scum produced by carbonatation, as well as manure. The building of this railway benefited more than 2,000 hectares of farm land, 450 of which were cultivated with beet.

The railway, of 60 centimetres gauge, is 7,700 metres long. The rails are steel, weigh 12 kgs the metre and are laid on oak sleepers. The engines are of Decauville no. 10 type. The trucks, sixty in number, are box trucks with folding doors on each side. They can carry 5 tons, their weight is from 1,800 to 2,000 kgs. and each forms a cube of 5 metres ($4 \times 1.6 \times 0.8$).

There are four stations with sidings and switches. The refinery has established offices for the reception of beetroot at all the stations. The farmers in the neighbourhood of the stations have laid down rails of Decauville system in connection with the railway and the trucks laden with pulp are drawn by horses to the edge of the silos: the unloading is as simple as possible.

The agricultural co-operative transport society of May was founded by twenty farmers under the form of a civil society for the period of fifteen years. The initial capital was 88,500 frs. in 295 shares of 300 francs bearing interest at 4% per ann.

The Society is managed by a Board consisting of a president, a treasurer and a secretary, who do not receive salaries. Their proceedings are supervised by a Commission of three members. The technical management is in the hands of a manager and accountant.

Every year, from the surplus credit remaining after deduction of the general expenses, a sufficient amount is taken to pay the interest

on loans and on the capital. Three fourths of the balance is paid into a fund for extinction of the debt and one fourth to a thrift fund. The fund for the extinction of debt serves for the payment of annuities of loans received, especially State loans, the repayment of the loans and afterwards of the capital by means of drawings or equal payments on each share. Part repayments may be made to the State in advance in proportion to the funds available. The thrift fund serves to pay for large repairs and to ensure the renewal and upkeep of the plant.

The tariff per ton per kilometre is settled each year. It is so calculated as to allow of the Society meeting its engagements. If the revenue is insufficient, the rates are increased to the degree necessary to make up the deficit discovered and each member contributes in proportion to the goods carried for him. In the same way, in case of a surplus, the profit would be divided among the members in proportion to the goods carried for them.

The capital which was originally, as we have seen, 88,500 frs., is now, through the admission of new members, 108,600 frs. The Society received a subvention of 9,100 frs. from the Agricultural Improvement Department and a State loan of 180,000 frs. The Lizy refinery has also advanced it an amount of 34,540.80 frs. at 2 %.

The revenue consisted of :

Capital	108,600
Subvention from the Agricultural Improvement Dept.	9,100
State Advances	180,000
Advance from the Lizy Sugar Refinery	34,540.80
Total	332,240.80

The expenditure was :

For Rolling Stock (Engines, Trucks)	101,163.35
Railway Construction	189,063.99
Furniture, Implements	8,990.25
Notarial Expenses, Registration	1,537.17
Total	300,754.59

The uninvested capital serves as working capital.

At the end of the first working year, April 30th., 1911, the Profit and Loss Account was as follows :

Revenue.

Carriage	36,806
Subventions	1,800
Total	38,606

Expenditure.

General Expenditure	3,402.66
Working Expenses	14,471.80
Cost of Maintenance	3,116.30
Interest and Discount	113.63

Total	21,103.41
Balance	17,502.59

The subventions of 1,800 frs. shown above are given by the sugar refinery of Lisy and the General Council of Seine et Marne. The beetroot agons used to destroy the roads and every year the refinery had to pay 2,500 francs for their maintenance and repair. To-day, thanks to the railway, it no longer pays this and it gives part of the money thus saved to the Society. The departmental and national roads also suffered a great deal through the transport of beetroot: the building of the railway has decreased the cost of maintenance of these roads and the General Council has granted the Society an allowance, at present, 0.75 frs. per ton carried. The profits for the working year 1910-1911 were thus utilised:

First Annual Instalment paid into the Regional Bank	13,135.20
Interest on Capital	3,792
Tariff Fund	575.39
Total	<u>17,502.59</u>

After the season of 1910-1911, new railway works were undertaken and the account for "railway construction" increased from 189,063.99 frs. to 192,420.09 frs., the account for "rolling stock" also increased through the purchase of ten new trucks and is now 113,617.70 frs. Unhappily the beetroot crop has been poor and the business of the Society has suffered; the receipts for carriage were only 24,860.30 frs. against 31,806 frs. the previous year.

The balance sheet on April 30th., 1912 showed the following figures:

Credits.

Railway.

Initial Expenses	192,420.09
Rolling Stock	<u>113,617.70</u>
	306,037.79

Securities in Case.

75 Shares in the Mutual Agricultural Credit Society	1,875
Implements and Goods.	
Furniture and Implements	532.70
Farm Requisites	853.29
Maintenance Material and Extra Rolling Stock	<u>5,992.65</u>
	7,378.64

Securities Available.

Cash	1,963.97
Mutual Agricultural Credit Society (Current Account)	16,760.10
Various Debts	<u>16,221.95</u>
	34,946.05
total	<u>350,237.48</u>

Debits.

Share Capital	108,600
Regional Bank of La Brie	168,461.54
Agricultural Sugar Refinery of Lisysur. Onroq	35,540.80

Miscellaneous:

Bills to be Paid	13,800
Miscellaneous Credits	105.02
Interest on Capital, not Claimed	136.85

14,041.87

Reserve Fund.

Fund for Extinction of Debt	11,538.46
Thrift Fund	492.84

12,031.30

Profit and Loss Account (details below)	337,675.51
Revenue: Carriage	24,860.30
Subventions	3,300

28,160.30

Expenditure: General

Expenses	2,701.44
Working Expenses	3,033.70
Cost of Maintenance	9,267.46
Interest and Discount	595.73

15,598.33

Credit Balance	12,361.97
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350,237.48

The Co-operative Transport Society is of the greatest service to the farmers, who not only by its means quickly get rid of their beet but also reap considerable indirect advantages. The rapid carriage of the roots in fact makes ensilage unnecessary; and ensilage is the cause of loss of weight by evaporation and decrease in density. The loss occasioned in this way is calculated at 2 francs per ton. On the other hand, the horses and oxen being now at liberty, grain can be sown earlier, and when the grain is sown the farmer may give all his attention to the preparation of the fields for beetroot, bringing manure and ploughing the soil deep before winter.

2. MISCELLANEOUS INFORMATION.

THE CENTRAL PLATEAU SOCIETY FOR ENCOURAGEMENT OF RURAL INSTITUTIONS. — This society was founded in 1900 for the encouragement of all agricultural institutions in the departments of Aveyron, Lozère and Cantal that may serve to put a stop to or at least to rural emigration.

There are already 12,000 farmers associated in it and it serves to the five Regional Federations :

The Union of the Agricultural Syndicates of the Central Plateau;
The Regional Fire Insurance Society of the Central Plateau;
The Regional Livestock Insurance Society of the Central Plateau;
The Regional Credit Bank of the Central Plateau;
The Regional Pension Society of the Central Plateau.

The Union of Syndicates includes 50 local syndicates, the amount of business done by which in purchase of goods or sale of produce 500,000 frs. per year.

In the Regional Fire Insurance Society there are 165 local mutual societies, together assuring 20 millions and collecting annually 100 francs in premiums.

Thanks to reinsurance, the mutual societies affiliated to the Regional Society offer as good security as the limited liability companies, while to save the farmers it may be 40%.

Since their foundation, the losses have been only 2,300 francs, whilst assets of the local mutual societies and the Regional Society already reached 50,000 francs.

In the Regional Livestock Insurance Society there are united mutual local societies, insuring altogether more than 34,000 head of livestock.

The Regional Credit Bank, with 80,000 frs. capital, showed in its balance sheet for the first seven months of 1912, a total business done of 350,000 frs.

The Regional Pension Society has 2,400 members.

The Society for the Encouragement of Rural Institutions has largely contributed to these results, especially in undertaking, together with the Aveyron Federation of Agricultural Associations, and the *Solidarité Aveyronnaise*, the expenses of publication and propaganda, and making known in the region the advantages of professional association.

It proposes to do even better and to give further security to the rural institutions in which it is interested, by means of a guaranteed fund for their advantage.

The Roquefort Agricultural Society, in the foundation of which the Central Agricultural Society was concerned, is at once a foundation of the Society for the Encouragement of Rural Institutions and of the Saint Affrique Agricultural Syndicate.

Finally, the Agricultural and Dairy Schools of Montagnac, which owe their origin to the generosity of its president, M. Maurice Fenaille, have been working since last November with the help of the Encouragement Society, which has founded scholarships for poor scholars, as has also been done by the General Council of Aveyron and the Central Agricultural Society.

The foundation of a Regional Accident Insurance Society and new credit institutions to facilitate the building of healthy establishments and improvements, such as land reclamation, drainage and irrigation, the establishment of schools for teaching household management, trades, and all industries that may serve to restore rural household work, enter into the programme of the Society, which will also as all undertakings for the purpose of bringing back emigrants to the country and keeping them there.

Thus the Society for Encouragement will in due course make adherents acquainted with the convalescent home of the Baraque-Jean, the recent foundation of which by M. Maurice Fenaille has realized a desire long felt by the *Solidarité Aveyronnaise*, and to the success of which various associations in Paris and in the country contribute founding beds.

The Society for Encouragement of the Rural Institutions of the Central Plateau will found Agricultural Associations for supply of drinking water to communes in need of the same, rectification of the course of streams, improvement of rural roads, and the opening of new markets for agricultural produce.

Finally, every year, in its annual sessions, it rewards every kind of evidence of devotion to rural institutions, fidelity to the soil and undertakings for the purpose of keeping the farmer in his native district. Among the rewards granted in this way in the session of October 12, 1912, several were for farmers' families who had remained on the same farm and under the same masters for from fifty to two hundred years.

(Summarised from the *Chronique Sociale de France*, October 1912).

KINGDOM OF HUNGARY.

MISCELLANEOUS INFORMATION.

THE NEW ADMINISTRATIVE ORGANISATION OF AGRICULTURAL ASSOCIATION. — At the meeting of its Executive Committee, held last year, the "Hungarian National Society of Agriculture," which holds an important position in the "National League of Agricultural Associations," discussed an Order of the Minister of Agriculture, granting a subvention for ten years to cover in part the costs of administration of the Departmental (County) Agricultural Associations.

In the course of the discussions, the committee recognised the necessity of ensuring the habitual prosperous working of the associations means of uniform provisions, and a uniform programme, in accordance with the Ministerial Order.

In order to facilitate the realisation of this object, the executive committee of the "National League of Agricultural Associations" has appointed sub-committees to prepare a scheme of uniform book-keeping, desired by the Minister of Agriculture, and, also, to prepare a form of uniform Rules; to organize agricultural lectures and courses of domestic industry, and livestock prize competitions and shows, to consider a way to obtain the adherence of farmers speaking other languages in Hungarian; and finally to prepare a scheme to regulate the relations and the co-operation of the associations and the agricultural inspectors and delegates.

The project for the uniform system of book keeping was completed the end of last year, approved by the "National League of Agricultural Association," by the Minister of Agriculture and the Agricultural Association, which at the beginning of the year inaugurated a uniform system of bookkeeping by double entry. The "National League of Agricultural Associations" gave all the assistance in its power to the Departmental Associations, not only in the preparation of the necessary books, but also by sending to the offices of the associations a bookkeeper to give those concerned all practical information, so as to facilitate the work of the inspectors appointed to examine the accounts.

The committee delegated has terminated the project for a form of tables and has sent it to all the Departmental Associations affiliated.

to the League, for consideration. The executive committee of the League will examine all the amendments that may be brought forward before proposing the definite approval of the scheme.

A specially important provision in the scheme of Rules is tending to establish a close bond between the Agricultural Clubs and the Departmental Agricultural Associations. The small number of members of Departmental Agricultural Associations is to be attributed to small proprietors not being represented individually but indirectly through the medium of the Agricultural Club. As the very existence of the Departmental Agricultural Associations demands the adherence of the class of small proprietors, the committee, when establishing the scheme of Rules, felt it must oblige the Departmental Agricultural Associations to organize the largest possible number of Agricultural Clubs in the territory of the County and unite them in a central organization.

The adherence of the Agricultural Clubs and their active participation in the Departmental Agricultural Associations were organized by the Committee in such a way as to ensure the delegates of the clubs a certain place in the management of the Departmental Agricultural Associations. As far as concerns their intellectual life, the committee found that the most efficacious means of assuring it was to provide Agricultural Clubs affiliated to the Departmental Agricultural Associations with the "Magyar Földműves" (Hungarian Farmer), a valuable periodical, perfectly adapted to its end, edited by the "National League of Agricultural Associations."

The schemes for the uniform organization of Agricultural Lectures, Courses of Domestic Industry, Livestock Prize Competitions and Shows as well as in reference to the adherence of the agricultural population speaking another language than Hungarian, are still in course of preparation and are being discussed in the presence of a competent section chief of the Agricultural Department, so that their approval by the Department is assured.

The agricultural public generally is of opinion that the sphere of action of the Agricultural Inspectorships must be regulated, and the duties of the committee delegated by the "National Agricultural League" precisely to indicate the duties to be performed by the Inspectorships and those of the Departmental Agricultural Associations. On this basis plans are being prepared for the regulation of the useful co-operation of the Departmental Agricultural Associations with the Agricultural Inspectorships and delegates.

The present organization of the agricultural delegations has been recognised insufficient in every respect, and the Minister of Agriculture has proposed the foundation in every district of Agricultural Directors' Chambers which would be really State Chambers of Agriculture. The Committee delegated by the "National League of Agricultural Associations," in its report to the executive committee of the said League, insisted upon the necessity of ensuring a certain influence for the Departmental Agricultural

ural Associations on the action of the Agricultural Directorships: it requires that the Associations should assist in the preparation of a programme and a scheme of work for the future Directorships: then, that they institute in each district, in connection with the Directorships, an agricultural council, the duty of which will be to prepare a programme in collaboration with the social associations. On this council there would be both delegates of the Departmental Agricultural Association in the district of the Directorship and State officials.

All these schemes have been the object of profound study, so that each of them may greatly favour the future work of the Departmental Agricultural Associations, an integral factor in the development of Hungarian Association.

(Summarised from "Köszlék", Official Organ of the "Hungarian National Society of Agriculture," Budapest, February 19th., 1913. Year XXIII. No. 14, pp. 469-470).

Part II: Insurance

AUSTRIA.

BILL ON LIVESTOCK INSURANCE.

OFFICIAL SOURCES:

REGIERUNGSVORLAGE ÜBER DEN VERSICHERUNGSVERTRAG: No. 527 der Beilagen zu den stenogr. Protokollen des Abgeordneten Hause. XXI Session 1911 (*Government Bill on Insurance: No. 527 of the Short Hand Minutes of the Chamber of Deputies, 21st. Session, 1911.*) Vienna, 1911.

In 1907 the Austrian Government presented in the House of Lords Bill on Insurance; but the work of the Legal and Economic Commission, charged to examine the same, was interrupted by the close of the 18th. session.

The bill was presented in the next session, which also closed before was approved. It was, however, presented for the third time at the opening of the 20th. session, on October 20th., 1909, and approved by the House of Lords on December 28th., with a few amendments proposed by the Special Commission.

Then the bill was sent down to the Chamber of Deputies and examined by the Commission of Justice. On the proposal of Privy Councillor, *Dr. Ritter von Vitek*, who presented the Report, this Commission decided to approve the bill in the form given it in the House of Lords, but the Parliament having been meanwhile dissolved, the proposal could not be approved by the Chamber.

At the opening of the 21st. session, the Government considered it its duty to bring the matter forward again, and, as it is probable that this time it will be definitely approved, we think it well to give here the most important provisions of the bill from the agricultural point of view. We shall commence by indicating the provisions in chapter 4 of the first part of the bill, relating to livestock insurance, reserving the discussion of the provisions relating to hail insurance for another number of our Bulletin.

* *

The first section of the chapter relating to livestock insurance, that § 96, makes the insurer liable for loss by death of the animal insured (death both natural death and slaughter are intended). Animals may also be insured against sickness or accident not causing death.

The need of this latter kind of insurance is felt above all in the case of horses. We see that, in the intention of the law, in the insurance of livestock is also included insurance against loss the insured may suffer through the veterinary department prohibiting the consumption of certain portions of the animal slaughtered; it was thought that the general provisions of insurance were sufficient for this class of butcher's beasts insurance.

By § 97 of the bill, the insurer is not liable:

(1) for loss through epidemic or other disease, which already entitles the insured to compensation from the authorities, even if he has lost the right to it through infringement of the veterinary regulations.

(2) for loss through military measures in time of war or taken on account of disturbances or riots.

(3) for loss through fire, explosion, lightning, flood or earthquake

(4) for loss through injury during transport or in consequence of transport of the insured animals by rail, boat, or any other means, as well as the course of loading or unloading.

(5) for accidents to race horses on race courses or in other sports.

These provisions limit the insurer's liability; the parties cannot introduce any modification into the first exception, as it is to the public interest that the provisions of the veterinary police be observed and penalties inflicted in case of their infringement.

According to § 98 of the bill, the clause of the contract by virtue of which, in case of the removal of the animal insured from a certain locality the insurer is relieved from liability, can only be pleaded by him when the animal has been removed for more than a week.

Generally, the livestock insurance societies work in a single locality so as better to control each of the individuals insured with them. It is therefore understood that it is to the interest of the insurer to be relieved of his liability, when the animal is removed from the place where it may be most easily inspected and attended to. On the other hand, the proprietors cannot be obliged to keep their animals always in one place as they often have to take them to pasture lands, to market or to other distant places; that is why in the bill this maximum term of a week has been fixed.

The insured is bound to advise the insurer without delay not merely of the death of the insured animal, but also of every serious illness it suffers from; as well as of any serious accident of which it is the victim, even if this illness or accident cannot be considered a disaster in terms of the contract. For this purpose, it is enough that the notice be sent within ten days from the date of the occurrence of the accident or the manifestation of the disease (§ 99).

The object of this provision is to prevent frauds on the part of the insured and, at the same time, to facilitate the inspection of the animals by the insurer. Section 100 establishes that the insurer has the right to visit and inspect the insured animals when he thinks fit.

If the insured animal falls sick or meets with an accident, and even if the sickness or accident do not seem to be serious, the insured must still immediately call a veterinary surgeon or, if that is not possible, a person with experience in the matter.

The insurer is not obliged to pay the costs of maintenance, and supervision, the visits and attendance of the veterinary surgeon.

The costs of the first visit of the veterinary surgeon in case of sickness of an animal insured are shared equally between the insurer and the insured.

These provisions, contained in § 101, for the protection of animals and the strict application of the veterinary regulations correspond, not only with the interests of the insurer but also with those of the public.

The cost of maintenance and treatment are only not borne by the insurer, when the amount of the cost cannot be immediately determined and when it would be difficult for the insurer to fix the premium to correspond. However, other arrangements may be inserted in the policy conditions.

In virtue of § 102, if the insured, with culpable intention or serious negligence, ill-treats or neglects the animal, and, especially, if, in case of sickness or accident, he abstains, intentionally or through serious negligence, from calling in a veterinary surgeon or an expert, the insurer is relieved of his liability, unless the ill treatment or negligence have no connection with the causes of the disaster or do not affect the amount of compensation due from the insurer.

Section 103 of the law makes a final provision in the insurer's favour. In virtue of it, the insured can only proceed to slaughter his animal without the consent of the insurer, when the slaughter has been ordered by the authorities or is so necessary that the consent of the insurer cannot be waited for.

If the slaughter is made without observance of the above indicated provision, the insurer is relieved of his liability.

On the other hand, if the insured does not get the animal slaughtered, when this is enjoined by the insurer, the latter is equally relieved of his liability, to the degree in which the amount of the loss would have been diminished if the insured had behaved as he should.

As we see, the bill does not specify the cases of urgency, in which the insured is authorized immediately to slaughter, but from the statement of reasons it is evident, that immediate slaughter must be allowed especially when the animal to be slaughtered may still be sold and delivered at the market, the sale of the meat thus diminishing the amount of the loss, or even for the humane reason of putting an end to the animal's sufferings.

Section 104 establishes the principles in accordance with which the insurer must proceed to compensate; if the death of the animal insured is caused by sickness or accident, the compensation due from the insurer

is calculated in accordance with the value the animal has immediately before the sickness declared itself or the accident took place.

The utilisable portions of the animals dead or slaughtered must be ceded to the insurer with a view to their utilisation; the proceeds, to the amount of the claim paid, belong to the insurer.

The reasons assigned in the bill explain clearly the motive of the provision: if the compensation were calculated in accordance with the value of the animal after the disaster, when it is already dead, the valuation would give rise to doubts, and it would be difficult to calculate the value of the living animal.

The insurer, as well as the insured, has the right to denounce the contract. However, if, among several animals insured, one is affected with an infectious disease, whether this results or not in the death of the animal, the insurer cannot denounce the contract.

The advantage of this provision for the farmers insured is evident: the insurer has every interest to denounce the contract, when he is persuaded that the risk undertaken has increased during the term for which the contract was passed, and, especially, if some infectious disease makes its appearance among the livestock insured, but this denunciation of the contract would have serious consequences for the insured who would lose his guarantee, just at the moment when he is most in need of it and would have to find another insurer ready to undertake the risks for him. This is why the bill lays it down that livestock insurance must include the risks resulting from the breaking out of an infectious disease.

By virtue of § 106, if the insured has been guaranteed against a defect in the animal insured, his right passes to the insurer, on condition that the latter compensates the insured for losses due to the defect in question. However, the cession of such rights cannot take place to the detriment of the insured.

If such right has become forfeit through fault of the insured or if the latter has renounced his right, the insurer is relieved from liability, to the degree to which he would have been able to reimburse him through exercise of the right.

The object of this provision is to hinder illicit gains on the part of the insured, if at the same time he received compensation from the insurer and enforced his claim to guarantee against the person guaranteeing the animal to be free of defects.

The provision in § 107 is also important. It lays down that the insurer is liable also in case of death of the animal within a month from the expiry of the term for which it is insured, if the death were caused by disease declaring itself or accident taking place while the contract is in force.

In conformity with the general rules for insurance against loss, the contract terminates on transfer of the animal to another party. But in virtue of § 107 if, during the period in which the animal is insured within a month from date of expiry of the contract, in consequence of some defect in the animal transferred which the seller was by law bound to guarantee to the buyer as free from defect, death of the animal in question

ness, the insurer is bound to compensate the insured up to the amount the guarantee given.

This provision tends to facilitate sale or exchange of animals: since the insurer can claim the premium for the whole period for which the animal is insured, it is right that the insured should still be entitled to compensation even after sale of the animal.

The insured is bound to guarantee the purchaser against defects in the animal, and he, thus, by virtue of his insurance, runs no risk, even for a month after the expiry of his contract, although in such case it may be supposed that the disease existed before the sale.

In this case, the compensation is not calculated on the value of the animal, but on the extent of the obligation to give security up to the maximum value; this insurance, therefore, in some degree, assumes the character of liability insurance.

Even in case of the cession of a farm, it is to the interest of the farmer that the insurance shall not terminate, but continue, the purchaser taking the place of the insured in the rights and duties consequent on the contract. The insurer has, however, the right to denounce contract, on a month's notice.

* * *

Such are in short the bearing and the origin of the provisions of the bill, as far as concerns livestock insurance, intended especially, as we have said, for the protection of the interests of the insured and consequently agriculture.

We shall deal in a later number with the measures adopted in this section by the veterinary council and the vicissitudes of the bill.

BELGIUM.

AGRICULTURAL INSURANCE SOCIETIES IN 1910.

SOURCES :

EXPOSÉ STATISTIQUE DE LA SITUATION DES ASSOCIATIONS D'INTÉRÊT AGRICOLE PENDANT
NÉES 1910. (*Statistics of Associations of Interest for Agriculture in the Year 1910*). De-
partment of Agriculture and Public Works. Brussels, Odry-Mommens, 1912.

The Official Statistical Report on Belgian Agricultural Associations recently published by the Department of Agriculture and Public Works takes account also of the insurance societies, for which it gives the statistics for 1910. We shall give a summary of them, to complete those to be given in a former article (1) on the other kinds of societies.

§ 1. COMPULSORY LIVESTOCK INSURANCE.

Our readers know that, in Belgium, West Flanders has been since 1907 subject to the régime of compulsory livestock insurance. This insurance compensates for losses through slaughter of livestock, ordered by the authorities, and rejection of the meat as unfit for consumption. In 1910 the Compulsory Livestock Insurance Fund was employed as follows:

Numbers of Animals Insured.

1st.	Horses, one year old or over	38,311
2nd.	Horned Cattle, three months old or over	291,475
3rd.	Mules, one year old or over	2,100
4th.	Asses, one year old or over	543
5th.	Sheep, three months old or over	17,422
	Total	349,851

(1) See *Bulletin of Economic and Social Intelligence*, April, 1913, page 19.

Amount of Premiums.

Horses . . .	frs. 20,720.75	at 0.50 frs.	per head, a year or more old.
Horned Cattle "	73,526.25	at 0.25 "	per head, three months or more old.
Mules . . .	636.00	at 0.30 "	per head, a year or more old.
Asses . . .	66.45	at 0.15 "	per head, a year or more old.
Sheep . . .	694.26	at 0.03 "	per head, three months or more old, minimum payment 0.15 frs.
Total . . .	95,643.71		

Amount of Claims in 1910:

for 443 horses	(maximum claim frs. 60)	26,288.00
24 mules	(" " " 20)	475.00
11 asses	(" " " 20)	220.00
1,121 head of horned cattle	(ordinary cases)	81,727.02
8 head of horned cattle	(tuberculosis giving right to additional compensation)	71.65
57 head of horned cattle	(affected with anthrax, giving right to additional compensation)	1,749.50
195 sheep		2,076.19

It is, for 1,859 animals, altogether frs. 112,607.36

On January 1st., 1911 the fund amounted to 1,525,231.09 frs.

§ 2. MUTUAL CATTLE INSURANCE SOCIETIES.

In addition to the "Compulsory Insurance Fund," for West Flanders, which we have spoken, there is a *voluntary livestock insurance fund* in the Province of Antwerp. In 1910, 5,545 farmers had insured with this fund 16,347 head of horned cattle for an amount of 6,769,300 frs. The sums paid in the year amounted to 155,919 frs.

In the other provinces, livestock insurance was exercised by local mutual societies, generally giving compensation up to two thirds of the value of the animals lost. In West Flanders itself and in the province of Antwerp they form a valuable complement to the two above mentioned funds.

(a) *Insurance of Horned Cattle.*

In 1910 the voluntary insurance of horned cattle attained a remarkable development. And since it represents the form of insurance of horned cattle most widespread in Belgium, we think it well to give in the following table the most important data in relation to the societies engaged in it that year.

Horned C

Provinces	Number of Societies	Number of Members		Number of Animals Insured
		Effective	Honorary	
Antwerp	106	10,210	150	32,790
Brabant	208	23,910	362	46,833
West Flanders	50	3,225	24	13,623
East Flanders	256	28,710	496	87,281
Hainaut	80	4,328	95	13,115
Liège	118	7,725	160	32,170
Limbourg	167	16,988	150	50,550
Luxembourg	98	2,098	14	3,688
Namur	102	6,750	89	15,610
Total . . .	1,185	103,944	1,540	295,660
Antwerp	18	1,550	30	5,021
Brabant	5	580	4	1,090
West Flanders	"	"	"	"
East Flanders	8	520	3	1,870
Hainaut	"	"	"	"
Liège	2	210	"	810
Limbourg	2	70	"	190
Luxembourg	"	"	"	"
Namur	"	"	"	"
Total . . .	35	2,930	37	8,981
Recognised Societies	1,185	103,944	1,540	295,660
Unrecognised Societies	35	2,930	37	8,981
Total . . .	1,220	106,874	1,577	304,641

ities.

Country	Number of Cases in which the Government Gave Compensation	Amount of Compensation paid by the Government and the Proceeds from the Sale of the Livestock	Working Expenses of the Societies	Amount of Payments made by Effective Members (Premiums, Entrance Fees, etc.)	Total Value of Meat Received by Members	Amount of Claims paid by Government	Credit Balance of the Societies on December 31st 1910
		Fr.	Fr.	Fr.	Fr.	Fr.	Fr.
	251	150,600	3,420	75,101	81,110	30,915	74,323
	150	287,120	9,765	230,543	39,701	19,933	329,111
	24	44,438	1,446	24,864	9,295	4,244	33,091
	323	312,473	11,427	144,510	385,506	14,942	202,802
	28	63,910	2,963	56,119	"	3,415	79,681
	183	170,732	5,011	165,884	"	29,900	144,049
	209	240,110	9,982	183,919	16,383	24,540	209,959
	10	12,105	1,314	15,417	"	1,270	25,286
	60	79,410	2,550	72,411	"	4,560	37,410
	1,238	1,360,898	47,878	968,768	531,995	133,719	1,135,744
	20	8,210	110	3,915	12,115	3,010	4,200
	2	5,250	20	3,105	"	340	20,640
	"	"	"	"	"	"	"
	2	3,600	90	3,207	2,190	210	4,060
	"	"	"	"	"	"	"
	2	4,100	96	3,317	"	120	600
	1	620	70	230	270	125	"
	"	"	"	"	"	"	"
	"	"	"	"	"	"	"
	27	21,820	386	13,774	14,575	3,805	29,500
	1,238	1,360,898	47,878	968,768	531,995	133,719	1,135,744
	27	21,820	386	13,774	14,575	3,805	29,500
	1,265	1,382,718	48,264	982,542	546,570	167,524	1,165,244

The majority of these local mutual societies are federated provincial societies for reinsurance. The data in the following table to 1910.

Horned Cattle Reinsurance Societies.

Title of Federation	Number of Local Societies Affiliated to the Federations	Number of Head of Horned Cattle Insured in these Societies	Amount of Claims Paid by the Federations		Amount of Premiums Paid by the Societies to the Reinsurance Federations	Provincial Subsidies	Government Subsidies
			Fr.	Pr.			
East Flanders Livestock Reinsurance Federation, at Ghent	195	69,079	90,260	4,740	53,575	15,000	25,000
Province of Limbourg Livestock Reinsurance Federation at Hasselt	163	50,000	57,830	1,800	32,660	5,000	23,800
Brabant Livestock Reinsurance Federation, at Louvain	101	26,045	36,207	1,662	27,276	—	20,797
Province of Liège Livestock Reinsurance Federation, at Liège	81	24,217	50,297	400	28,750	—	22,246
Hainaut Livestock Reinsurance Federation, at Mons	57	7,954	17,000	736	9,700	1,000	9,714
Livestock Reinsurance Federation, at Tournai	45	17,092	43,490	1,400	22,554	7,530	17,115
Livestock Reinsurance Federation at Heyt op den Berg	20	7,863	19,080	400	7,863	2,500	5,860
Province of Luxembourg Livestock Reinsurance Federation, at Arlon	98	3,688	12,105	1,314	5,210	1,000	5,225
Brabant Livestock Reinsurance Federation, at Brussels	16	7,267	29,153	300	17,898	10,000	—
Livestock Reinsurance Federation, at Hammeche	20	2,309	3,900	600	3,516	—	3,516
Reinsurance Section of the Province of Antwerp Agricultural Fund	16	5,057	6,158	270	2,528	3,140	1,918
Livestock Reinsurance Federation, at Namur	61	5,300	19,091	307	11,577	4,750	11,577
West Flanders Livestock Reinsurance Federation, at Roulers	23	7,966	7,860	115	3,768	1,050	3,768
Hainaut Livestock Reinsurance Federation, at Thuin	6	1,888	3,426	—	3,326	—	1,863
Livestock Reinsurance Federation, at Bordenne	6	256	885	135	950	—	1,078
Total	908	235,881	396,772	14,179	231,131	50,970	153,413

Of 1,185 legally recognised mutual societies as shown above, 908 or 76.7 per cent. were reinsured.

(b) *Insurance of Horses Used in Agriculture and of Stallions.*

This branch of insurance was carried on in Belgium, in 1910, by 230 societies, distributed in the Provinces as follows: East Flanders 51, Brabant 43, Limbourg 41, West Flanders 35, Antwerp 30, Luxembourg 13, Namur 11, Hainaut 4, and Liège 2. They had 30,644 members, who had insured 59,582 horses for an amount of 53,239,167 frs. The number of disasters in the year was 1,858 and the amount of the claims paid by the societies was 922,883 frs. The societies themselves received from their own members contributions amounting to 882,796 frs and the working expenses amounted altogether to 49,274 frs. On December 31st., their total credit balance was 689,303 frs.

Just as we have seen in the case of the mutual horned cattle insurance societies, also these horse societies usually reinsure, and, indeed, of the mutual societies in existence, quite 227 were reinsured, in 10 federations in 1910. The 227 mutual societies had reinsured 46,847 horses, passing over to the Federations for the purpose a total amount of 48,839 frs, to which must be added 21,999 frs. for provincial and 145,261 frs. Government subventions. During the same year, the Federations altogether to pay their affiliated societies 371,034 frs. in compensation. It is finally to be observed that at the above date there were in Belgium mutual stallion insurance societies, with altogether 641 members, which had insured 1,000 stallions for an amount of frs. 3, 560,100. In the year there were 28 disasters for which the societies had to pay the insured 168 frs., while they received 56,687 frs. in premiums.

(c) *Goat Insurance.*

Goat insurance was transacted in 1910 by 462 societies, most of them in East Flanders (201) and West Flanders (187). They had 46,090 members, who had insured 61,797 head for 1,232,021 frs. During the year there were 4,381 disasters, for which the societies had to pay 43,843 francs in compensation, while they received from them 37,371 francs in premiums. There is also a system of reinsurance for the goat societies, by which the societies, belonging to 5 federations, profited.

(d) *Pig Insurance).*

The insurance of pigs is the least usual. The statistics examined in 1910 show the existence of 112 mutual societies of this character, in which 1,820 pigs, belonging to 9,305 members, were insured. There are also federations reinsuring pigs: in 1910 there were four, to which 99 societies were affiliated.

§ 3. HAIL INSURANCE.

In 1895, eight societies transacted this branch of insurance, three be limited liability societies, two co-operative societies and the other ti mutual societies. That year the value of the produce insured by ti amounted to 5,599,653 frs. and the claims paid to 85,480 frs. We have later information on the subject.

In 1899, a mutual cantonal hail society was founded at Rumbeke West Flanders, legally recognised by decree of June 20th., 1900. neither with regard to it do we possess recent statistics.

FRANCE.

(Algeria).

AGRICULTURAL, MUTUAL, INSURANCE AMONG THE NATIVES OF ALGERIA.

OFFICIAL SOURCE:

LE GÉNÉRAL DE LA COMMISSION (TUNISIENNE) D'AMÉLIORATION DE L'AGRICULTURE
INDIGÈNE, constituée par le décret du 13 mai 1911 (*General Report of the Tunisian Com-
mission for the Improvement of Native Agriculture, constituted by Decree of May 13th., 1911.*
Tunis, 1912.

We find among the Algerian fellaheen a very wide spread institution called *Touiza*. It is a sort of labour co-operative society, never lasting more than one day. It is formed by the farmer who is late with his plough or his harvesting; he appeals to his neighbours, who lend their assistance gratuitously. But he gives them, by way of reward, one or two meals, according to the season.

Taking a hint from this system, which permits of the accomplishment of much excellent work in a short time, certain Algerian colonists, on the initiative of M. Vallet of Fedj-M'zala, with the assistance of three natives, formed societies to enable their adherents to protect themselves more completely, by means of assistance rendered in kind, either against losses through damage to their crops by hail and other disasters to which agriculture is exposed, or by death of their livestock. In this way the first *Mutual Ploughing Societies*, were formed, especially the Rouached society, which gave good results.

But whilst these new societies were highly appreciated by the colonists, the natives, opposed to all idea of insurance refused to join them. In the *Algerian Farmers' Congress*, held at Constantine in 1909, M. Vallet proposed the following resolution.

"That the Supreme Government of Algeria order the organization of *Mutual Ploughing Societies* like that working at Rouached, in the native country, side by side with those to be founded in the centres of colonisation, and the employment of their funds for the formation of so-

cieties for the assistance of farmers in time of calamity." In conformity with this resolution the Governor General, in a circular of November 10th 1909, strongly urged the foundation of Mutual Ploughing Societies. It showed that such societies allow of :

1st. the more or less complete insurance of the members, by means of loans in kind, on the one hand against damage to their crops by hail, on the other against losses through death of their livestock ;

2nd. the foundation of experimental farms, for the extension of modern farming methods among the natives, with the use of French plough and selected seeds ;

3rd. the encouragement and even the foundation, by virtue of laws in force, especially that of July 14th, 1908, of Mutual Agricultural Credit Banks.

Thirteen administrators hastened to carry out the Government instructions by founding Mutual Ploughing Societies in the beginning of the agricultural season of 1909-1910.

When the Government interested itself in the matter, the natives consented to join the new societies, but rather under compulsion than their own accord.

After the first trial made in 1909-1910, M. Perruchot, Departmental Professor of Agriculture at Constantine, came to the following conclusion :

" 1st. I have not heard the advantages offered by the *Mutual Ploughing Societies* anywhere disputed ; but the natives do not always understand the object aimed at in the foundation of these societies. They do not really appreciate them until after a calamity, a hailstorm, for example, when they receive their compensation ;

2nd. In order that satisfactory results may be obtained, the administration must interest itself sincerely in the new institution ; all work must be done very carefully, whence the necessity of good management and strict supervision ; the sale of produce must be made on the most favourable conditions ; finally, the society must be managed economically as possible, and its funds devoted to purposes of considerable utility."

The first year, in spite of uncertainties and imperfections at the time, the total profits were 35-315.90 frs.

Finally, the following are M. Vallet's conclusions on the *Mutual Ploughing Societies* :

" The Mutuality Congress, held at Constantine, on April 20th, 1911, considering that the Mutual Ploughing Societies have already given remarkable results, in the few trials that have been made, both in the centre of colonisation and in the native circles of the department of Constantine ; considering that by a reasonable and well understood organisation in a few years, without any pecuniary sacrifice on the part of the members, nor any departmental or colonial subsidy, there may be formed in this way a very considerable fund, sufficient almost completely to cover the losses through a calamity affecting Algerian agriculture,

congratulates the Algerian administration on the efforts it has made during the last few months in various *douars* of the department of Constantine,

and urges it in the interest of all the farmers of the Colony, whether French or native, to persevere in this course and to create a special *Mutual Ploughing Societies Department*, to be a school of Mutuality and an important factor of agricultural instruction among our Mussulman subjects."

In 1910-1911, there were 12 *Mutual Ploughing Societies* in the Department of Constantine, founded by M. Perruchot, and with the administration of the communes to which they belong as their presidents. They have already formed a capital of 93,032.46 frs by means of the simple contribution of the natives who have given their labour. This result has been obtained without any change in the manner of farming. In most cases, ploughing, sowing, reaping and threshing have been done on the native land. The Government has placed at their disposal communal lands, and not of the best quality.

With their funds, the Mutual Ploughing Societies have purchased such implements (ploughs, sowing and sorting machines), and almost all have insured the fields of the society and the crops of the individual members against hail.

Thus therefore this trial of Mutual Ploughing Societies has fully succeeded; yet it must be said that often the natives do not appreciate this institution at its true value and are determined only to see in it a new tax imposed by Government. They are only persuaded when the reserve allowances of those concerned receiving compensation in money almost to the amount of the crop destroyed by hail. And it is only by means of such results that these mutual associations can develop and, gradually, bring the country to the greatest advantage of all.

We think it well to give here the annual report of a Mutual Ploughing Society on the Tunisian frontier. That of Souk-Ahras may be taken as an example.

The first trial, in 1909-1910, was only made in three *douars*. In the next year ten *douars* had mutual societies.

In six of them only one plot was cultivated; in the others two and even three were sown. They were so near each other that the distance to be travelled by the members was reduced to the utmost.

The Government has observed that, in the *douars* in which the Mutual Ploughing Societies have been able to work on several points judiciously selected with a view to the various groups, the different kinds of agricultural work were performed most satisfactorily and there were fewer cases of abstention on the part of possible adherents. The number of members was 840. They have sown 108 hectares with corn: they have not sown barley. The results for the year 1910-1911 are shown in the following table. The unit of measure employed is the double decalitre.

Names of Douars	Area Sown with Corn (Hectares)	Grain Sown (Corn) (Double Decalitres)	Grain Harvested (Corn) (Double Decalitres)	Yield per Unit
Tifech	11 ½	76	353	4.64
Beni Barbar	15	115	281	2.44
Ouled-Soukies	10	79	96	1.21
Zarouria	5	30 ½	108	3.55
Mérahma	18	120	282	2.35
Maurania	6	46	103	2.24
Maddouda	9	59	196	2.31
Rhedara	12	81	201	2.48
Ouled-Dhia	8 ½	57	171	3
Ouillen	13	79 ½	201 ½	2.33
Total . . .	108 Hectares	743 D. D.	1,992 D. D. ½	

In the *douars Beni-barbar*, the fields of the Society suffered by but as they were insured, the society received 1,026 francs in compensation.

The administrator had insured the crops of the members of the Thrift Society of his commune to the amount of 15 %. He had utilised the funds of the Mutual Labour Society to assure the members of 50 % compensation. After the storms of 1911, the members of Thrift Society were compensated to the amount of 25,603.09, and the of the Mutual Ploughing Society, comparatively few in number, to the amount of 24,640.52 frs.

The advantages of the latter society could not be more clearly shown as each native received about 160 frs. per carucate. Immediately after harvest, the grain belonging to the society was taken to the nearest market and sold by public auction.

The establishment of the "touiza" days is left to the native representatives of the commune; they must inform the administrator of the fixed, so that he may be present himself or send a representative.

Immediately the work is finished, the sheiks must publish the report with the list of natives who took part in it. The reports are examined by the administrator and then forwarded to the treasurer, who abstracts figures for entry in his books, and files them, giving them numbers corresponding with those in the register.

The consultation of all the documents is thus as easy as possible, as this book-keeping does not demand any special competence and reduces the writing work to the utmost.

The following was the financial situation of the society on November 1st, 1911.

Revenue

Credit Balance from 1909-1910	300.70
Sale of 199 ½ Measures of Corn	6,148.45
Sale of Straw	27
Total	6,476.15

Expenditure

Hail Insurance	3,210.53
Miscellaneous Expenses	23.35
Total	3,233.90

Balance

6,475.15 frs. — 3,233.90 frs. = 3,242.90 frs.

RUSSIA.

LIVESTOCK INSURANCE IN FINLAND.

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- SKANDINAVISKA KREATURSFÖRSÄKRINGSBOLAGET, BERÄTTELSE ÖFVER BOLAGET TIOÅRIG VÄRKSAMHET 1890-1910. (*Scandinavian Livestock Insurance Society. Report of the 20th Anniversary of the Society from 1890 to 1910*). Stockholm, 1910.

§ 1. GENERAL SKETCH.

Of the various branches of agricultural insurance now in use, only livestock and fire insurance, are transacted in Finland. The damage caused by hail there is not too considerable. So hail insurance has not yet been introduced. The diet of 1912 did indeed formulate proposals to include, under certain conditions agricultural labourers, but these proposals have not yet been approved. The necessity for insurance against plant disease and against frost, introduced into certain countries, is not sufficiently felt in Finland.

In the following pages, we propose to examine in outline the subject of livestock insurance in this country and shall give a few horse mortality

les.

In Finland livestock insurance is exclusively transacted by mutual societies, or by large national or provincial societies, or by small local mutual societies.

In Sweden, where the agricultural and economic conditions are, except in the southern provinces, little varied, the societies show a continually increasing tendency to centralise. In Finland, experience has not yet shown what form of society is best suited to the conditions of the country.

At present the two types complete each other. In fact each of them has its advantages and its disadvantages. The small local society, formed among farmers of the same place who know each other, allows of a very actual mutual supervision over the manner of keeping the animals. The living expenses are insignificant and the premiums, therefore, are very low. But the mutual local society is not suitable for the insurance of large holders and has not sufficient funds for ordinary livestock mortality losses. The large mutual societies, in their turn, are in a position to compensate the risks better by extending their operations over a larger area; but, on the other hand, the mutual supervision loses some of its efficiency as the working expenses are considerable.

The first societies to be established in Finland were two national mutual societies, founded in 1890 and 1896. Since 1897, local societies have been founded in which above all the small farmers insure their large livestock. In recent years the large mutual societies have gained ground again. The national and provincial societies only insure horses and horned cattle. A few of the small local societies — 2 in 1910 — also insure pigs.

The following table, prepared from the figures in the reports of the interior of insurance societies in Finland, clearly shows the development of stock insurance. For the small local mutual societies we have only data for the period 1905-1910.

Years	National and Provincial Mutual Societies				Local Mutual Societies			
	Number	Total Amount Assured — Marks (1)	Animals Insured		Number	Total Amount Assured — Marks	Animals Insured (2)	
			Horses	Horned Cattle			Horses	Horned Cattle
1892 . . .	1	1,492,818	3 700	—	—	—	—	—
1893 . . .	1	2,063,929	5,331	—	—	—	—	—
1894 . . .	1	2,994,444	6,514	—	—	—	—	—
1895 . . .	1	3,451,831	7,038	—	—	—	—	—
1896 . . .	1	3,671,336	7,418	—	—	—	—	—
1897 . . .	2	5,773,948	10,940	6,282	—	—	—	—
1898 . . .	2	7,824,696	15,287	7,131	—	—	—	—
1899 . . .	2	10,052,018	19,640	7,615	—	—	—	—
1900 . . .	2	10,030,530	20,089	5,781	—	—	—	—
1901 . . .	2	8,720,512	18,805	4,238	—	—	—	—
1902 . . .	2	7,528,995	17,137	2,947	—	—	—	—
1903 . . .	2	6,574,610	15,186	2,667	—	—	—	—
1904 . . .	2	5,389,090	12,333	2,003	40	(*) 6,890,999	12,358	30.2
1905 . . .	2	5,921,200	12,192	6,144	56	9,045,952	17,901	35.6
1906 . . .	2	6,476,355	12,552	8,720	76	10,793,146	21,892	40.7
1907 . . .	2	7,353,280	13,856	9,637	81	12,337,366	25,796	41.3
1908 . . .	2	8,486,105	15,440	10,927	85	14,068,611	30,360	41.8
1909 . . .	4	11,107,024	21,790	14,127	91	14,019,078	28,769	43.4
1910 . . .	4	12,729,477	24,385	16,393	100	14,433,806	29,495	42.1
1911 . . .	4	13,877,492	27,188	17,428	—	—	—	—

(1) 1 Finland marc = 1 franc.

(2) The small livestock insured by some of those societies were too few for the figures to be given here.

(3) Up to 1909, the official Statistical Returns give the data of the Provincial Society (Nation since 1906), *Finska hushållsförsäkringsbolaget för landet*, among those for local societies.

It will be very interesting to consider the proportion of the total number insured horses and horned cattle in the country. Although this proportion has risen very much in recent years, it was on January 1st., 1911 only 19.1 % for horses and 5.1 % for horned cattle. We have for our purpose made use of the data supplied by the inspector of insurance societies in Finland, because the information given by the official livestock statistics reports only refers to 1907. However, the reports of the inspector only show the number of horses over 3 years old and that of horned cattle over 2 years old, whilst the societies also insure foals and calves. The proportions given above do not therefore strictly correspond with the real ones. When compared with the corresponding percentages for Sweden, which were 69.8 % for horses and 15.1 % for horned cattle (1), the Finland data show that much progress still has to be made in Finland in the field of livestock insurance (2). Before we give a few special particulars on the two different forms of society, let us mention that in Finland state intervention in the field of livestock insurance is limited to the supervision of the societies by the inspector of insurance societies, appointed by the Government.

There is no special law on insurance societies as yet, but one is projected. The insurance societies are, at present, as far as concerns the ratification of their rules, the declaration to be made to Government, etc., subject to the same legislative provisions as the ordinary industrial and commercial societies.

§ 2. NATIONAL AND PROVINCIAL SOCIETIES.

There are at present in Finland three national societies (*Abo hästförsäkringsbolag* (Abo Horse Insurance Society), *Kreatursförsäkringsbolaget i Finland* (Livestock Insurance Society in Finland) and *Finska Kreatursförsäkringsbolaget för landet* (Finland Rural Livestock Insurance Society)) and one provincial society, *Uleåborgs läns ömsesidiga kreatursförsäkringsbolag* (Mutual Livestock Insurance Society of the Government of Uleåborg), insuring livestock insurance.

Abo hästförsäkringsbolag was founded in 1890 and only insures horses; *Kreatursförsäkringsbolaget i Finland* dates from 1896 and *Finska kreatursförsäkringsbolaget för landet* (up to 1912 *Landskommunernas i Egentliga Finlands kreatursförsäkringsbolag*) from 1912. The work of *Uleåborg läns ömsediga kreatursförsäkringsbolag* began in 1909.

We saw above the general progress of the Finland insurance societies to 1911. The following table shows in greater detail the progress of the mutual societies in this latter year.

(1) Calculated on the same basis, according to the official Swedish Statistical Returns in *statisk Tidsskrift, utgifven af Kungl. Statistiska Centralbyrån* (Statistical Review, Published by the Royal Central Statistical Bureau), 1912, No. 1. Stockholm.

(2) For the purposes of this comparison, we have, not taken account of the differences in extent of the insurable risk in the two countries; these differences are of such slight importance as to have but a very slight influence on the result.

Societies	Horses		Horned Cattle		Total Amount Assured in 1911
	Number	Amount Assured — Marcs	Number	Amount Assured — Marcs	
Åbo hästförsäkringsbolag.	7,204	3,004,600	—	—	3,004,600
Kreatursförsäkringsbolaget i Finland	11,070	5,007,320	12,587	1,954,450	6,961,770
Finnska kreatursförsäkringsbolaget för landet . . .	6,223	1,731,981	1,826	250,541	1,982,522
Uleåborgs läns ömsesidiga kreatursförsäkringsbolag	2,681	1,534,240	3,015	394,360	1,928,600
Total . . .	27,188	11,278,141	17,428	2,599,351	13,877,492

Among the horned cattle insured on December 31st., 1911, 6,804 or 39.6 % were insured by individual policies, and 10,534 or 60.4 % by collective policies. The corresponding amounts assured were 949,971 marcs and 1,649,380 marcs.

These amounts are distributed as follows among the above mentioned societies :

	Individual Insurance		Collective Insurance	
	Number of Animals	Amount Assured — Marcs	Number of Animals	Amount Assured — Marcs
Kreatursförsäkringsbolaget i Finland . . .	3,529	488,030	9,058	1,466,440
Finnska Kreaturs försäkringsbolaget i landet .	1,826	250,541	—	—
Uleåborgs läns ömsesidiga kreatursförsäkringsbolag	1,539	211,400	1,476	182,940
Total . . .	6,894	949,971	10,534	1,649,380

As we see *Finnska kreatursförsäkringsbolaget för landet* only transact individual insurance, whilst the two other societies transact at once, in different proportions, both individual and collective insurance. In 1911 the amount of the claims was as follows :

Societies	Horses		Horned Cattle	
	Number	Amount in Marks	Number	Amount in Marks
Abo hästförsäkringsbolag	280	78,828	—	—
Kreatursförsäkringsbolaget i Finland .	328	100,772	129	14,182
Finska kreatursförsäkringsbolaget för landet	82	21,889	33	2,251
Medborgers läns ömsesidiga kreatursförsäkringsbolag	111	27,059	55	4,942
Total	801	228,547	217	21,375

In the same year the proportion of accidents for all the societies was for horses 3.1 % and for horned cattle 1.3 % of the animals insured. The sums paid amounted to 2.13 % in the case of horses, and 0.69 % in that of horned cattle, of the total amount assured. The average claim paid per horse was 414.82 marks and per head of horned cattle 149.15 marks.

As there are in general very few accurate documents dealing with this subject, we reproduce below, in the following table, the data for the years 1895-1911. We shall see from it the manifest increase in the amount of sums paid, that is to say, of the beneficial effects of insurance.

Year	Proportion of Animals Insured, Victims of Accidents		Proportion of Claims Paid to Total Amount Insured		Claims Paid per Accident in Marks	
	Horses %	Horned Cattle %	Horses %	Horned Cattle %	Horses	Horned Cattle
1895	2.9	1.6	1.76	1.01	254.00	80.00
1906	3.1	1.0	1.80	0.70	249.60	90.00
1907	3.2	1.2	2.20	0.87	266.90	101.50
1908	2.9	1.0	1.62	0.60	264.90	91.80
1909	2.7	1.2	1.88	0.70	285.90	86.00
1910	2.9	1.3	1.89	0.81	286.60	107.40
1911	3.1	1.3	2.13	0.69	414.82	149.15

In 1911, 428 horses and 217 head of horned cattle were killed and 373 horses were depreciated in value through accidents. Payment of no claim was refused on account of insufficient care of the animal. The premiums collected that year amounted to 324,612 marks, or 2.3 % of the value

assured. The working expenses and commissions came to 102,171 marcs or 31 % of the amount of the premiums collected in the year.

It would be very interesting to examine the different forms of insurance undertaken by the societies. Unhappily, the information furnished by the various societies is very incomplete, except in the case of the *Kreatursförsäkringsbolaget i Finland*, at present indeed the largest society working. We reproduce below the information furnished by it:

I. *Insurance against death of livestock, or simple insurance.* Compensation is given in this case for the total assured amount for livestock dying or that have to be slaughtered owing to severe disease or serious accident, or compensation for not more than three fourths of the assured amount for animals slaughtered on account of chronic disease, with the approval of the board of management of the society, on the advice of veterinary surgeon.

II. *Simple insurance of horned cattle.* Compensation is given in the same way as above, except in the case of death through dysentery, calving fevers. The premiums for such insurance are the lowest.

III. *General horse insurance, or insurance against death and depreciation in value of horses.* The conditions are still the same, except that the compensation is reduced to half the assured amount for horses depreciated in value through disease or accident, which after treatment by the veterinary surgeon have been pronounced incurable but may, however, still be employed for work and breeding. The compensation may not exceed one third of the amount assured. Horses for which the society has given compensation under this head remain the property of their owners, but payment of the claim entails the cancellation of the contract.

In a form of insurance with lower premiums risks from spavin are excluded.

IV. *Insurance of horses engaged in agricultural work, against death and accident.* This branch of insurance is especially for horses employed in agricultural work. They must belong to a group of at least four horses.

The insurance covers the risk of death and disease or wounds of a nature necessitating slaughter in the opinion of the veterinary surgeon. The premiums are low and the amount assured may not exceed 500 marcs per horse.

V. *Collective insurance of horned cattle belonging to groups of least ten head.* Compensation is given up to the amount assured in the case of death or slaughter on account of certain specified diseases, the number of which are fixed in the contract.

Kreatursförsäkringsbolaget i Finland does not insure horses over 10 years and foals of less than six months old, nor does it insure individual head of horned cattle above the age of 10 years or under that of six months.

The maximum amount assured per society is 3,000 marcs for horses between 4 and 10 years and 1,000 marcs for horned cattle between 2 and 9 years. The amounts are less for older and younger animals.

The amount assured must never exceed $\frac{1}{3}$ ths. of the real value of the animal.

In the case of horses, spavin and colic are the most frequent causes of depreciation in value; accident is a cause of only secondary importance. In the case of horned cattle, the most frequent causes are dysentery and calving fever.

§ 3. SMALL, LOCAL, SOCIETIES.

As we said above, the first local livestock insurance society was founded in 1897. In 1900 there were still only six, but after that their number rapidly increased, largely owing to the efforts made by the Pellervo society, which has not only encouraged the advance of co-operation in Finland, but also exerted the most beneficial action in the field of local mutual stock insurance.

We have already seen in the first table inserted in this article, the important increase of local mutual societies. Let us only add here that the total amount they assured at the end of 1910 was 10,323,003 marcs for horses, 4,110,803 marcs for horned cattle and 29,615 marcs for pigs.

It is interesting to consider that of 100 societies existing on January 1, 1911, 56, assuring 7,667,507 marcs belonged to the Government of Finland, whilst in the seven other Governments of Finland there were only assuring 6,795,914 marcs. The reason is that, in the Government of Finland, the land fit for cultivation is almost entirely owned by peasants, being more especially awake to the advantages of the local mutual societies, prefer to insure their livestock with them.

Among the small mutual societies existing in 1910, 22 only insured horses and 4 only insured horned cattle; the 74 others insured both horses and horned cattle, and two of them included pigs among the animals they insured.

The clauses of the contracts vary greatly in the different societies. Some calculate their premiums on the real value of the animal, but only give compensation in case of death up to $\frac{3}{4}$ ths. of the value insured. Others calculate their premiums only on $\frac{1}{3}$ ths. of the real value, but pay compensation up to this amount.

Some societies grant compensation only in case of death or compulsory slaughter; others also undertake the risk of depreciation in value, up to the amount of half that assured. Generally, the small local mutual societies do not insure very low values: the minimum being 1,000 marcs in the case of horses and 150 marcs in that of horned cattle.

The small space at our disposal prevents our entering into details of the various systems.

With regard to the importance of their risks, the societies may be grouped as follows:

Local Mutual Societies according to the Importance of their Risks.

Year	Amount of Premiums Collected									
	Less than 50,000 Marcs		Between 50,000 and 100,000 Marcs		Between 100,000 and 200,000 Marcs		Between 200,000 and 500,000 Marcs		500,000 Marcs and over	
	Number of societies	%	Number of societies	%	Number of societies	%	Number of societies	%	Number of societies	%
1905	10	17.9	13	23.2	19	33.9	11	19.6	3	5.4
1906	18	23.7	17	22.4	27	35.5	12	15.8	2	2.6
1907	14	17.5	19	23.8	32	40.0	13	16.2	2	2.5
1908	16	18.8	17	20.0	31	36.5	13	22.4	2	2.3
1909	16	17.5	17	18.7	35	38.5	20	22.0	3	3.3
1910	22	22.0	22	22.0	30	30.0	23	23.0	3	3.0

Of the horned cattle insured in 1910 by local mutual societies, 20.26 or 48.1 % were insured by individual policies, and 18,707 or 44.4 % were insured collectively: no data were furnished in the case of 6 societies, insuring 3,139 animals or 7.5 %.

The declared values corresponding were 2,042,796 marcs, 1,764,550 marcs and 303,450 marcs.

In 1910, the proportion of horses and horned cattle insured to which accidents happened was 2.03 % and 1.26 % respectively. In the case of 333 horses and 468 head of horned cattle, the accidents were followed by death and in that of 258 horses and 51 head of horned cattle by simple depreciation in value. The claims paid amounted to 121,027 marcs or 1.20 % of the insured value in the case of horses, and in that of horned cattle to 38,291 marcs or 0.93 %; the average compensation given per horse was 204.80 marcs and per head of horned cattle 71.30 marcs.

In the following table we shall endeavour to summarise the data for the years for which there are no statistical returns:

Years	Proportion of Animals Insured, Victims of Accidents		Proportion of Claims Paid to Total Amount Insured		Claims paid per Accident	
	Horses	Horned Cattle	Horses	Horned Cattle	Horses	Horned Cattle
1904	1.67	1.68	1.10	1.00	230.03	55.43
1905	1.77	1.94	0.96	1.08	213.53	53.68
1906	1.60	1.86	1.11	1.18	230.73	51.99
1907	1.63	1.45	0.97	1.00	196.64	62.25
1908	1.65	1.19	1.11	0.87	225.69	68.21
1909	1.74	1.46	1.16	1.00	227.70	65.20
1910	2.03	1.26	1.20	0.93	205.80	71.23

In 1910, in the case of 25 accidents the claims were rejected as the animals had not been sufficiently protected.

The premiums collected that year amounted to 194,130 marcs, or 1.34% the amount of the declared value.

The working expenses amounted to 18,754 marcs or 9.6 % of the premiums for the year and the other expenditure (cost of organization) 13,756 marcs or 7 %.

§ 4. HORSE MORTALITY TABLES.

Good horse mortality tables have not only a scientific interest, but are of great practical importance for livestock insurance. If we suppose, for example, that it is definitely established that the risk of death increases with age, it will be possible to establish graduated tariffs and to determine exactly the degree of depreciation in value corresponding with the age or less age.

Yet there is very little information on the subject. Except for the researches of M. Felipe Caramananza into the deathrate of the Parisian carriages and Spanish war horses; published in the *Boletín oficial seguros* (Madrid, June 30th., 1910), horse mortality tables have only been made out in Sweden and Finland. In an article on livestock insurance in Sweden, published in the number of our Bulletin for August, 1911, we reported on the experiments made in Sweden by *Skandinaviska kreatursförsäkringsbolaget* (Scandinavian Livestock Insurance Society). We propose now to compare with them the results obtained in Finland.

The statistics serving for the calculation of the death rate of horses in Finland collected by the *Kreatursförsäkringsbolaget i Finland*, cover only a small part of the field the Swedish statistics cover, but they are so important that the law of large numbers comes into full play. The tables are based on 151,358 risks for a year and 29,777 cases of compensation in Sweden and 111,933 risks and 2,866 cases of compensation in Finland.

Let us also add that in the tables of the Swedish society no distinction is made between cases of death and of simple sickness. The Swedish tables are then in the strict sense of the expression; *Tables of Mortality and Sickness Combined*. In Finland the distinction has been made; that is shown in the following table, we show both the percentage of mortality alone and the percentage of death and sickness combined.

Age of the Horses	Death (%) — Finland	Death and Sickness Combined (%)	
		Finland	Sweden
1	0.46	0.59	1.98
2	0.77	1.11	1.32
3	0.90	1.69	1.34
4	1.01	2.32	1.60
5	1.25	2.70	1.85
6	1.00	2.51	2.01
7	1.07	2.56	2.21
8	1.39	2.96	2.47
9	1.64	3.32	2.54
10	1.64	3.22	2.90
11	1.69	3.86	2.82
12	1.85	3.63	3.28
13	2.42	3.58	3.40
14	2.59	3.63	3.94
15	3.58	4.23	4.03
16	4.51	4.90	4.03
17	5.65	7.29	4.15

As we see, the Finland table shows greater variations than the Swedish. But that is because it is based on less numerous data. Both show very clearly that the risk of death increases with the age. Except for important differences in the lowest and highest ages, due doubtlessly also to the less numerous data in the case of Finland, we find the situation is to some degree parallel in the two countries.

The fluctuations can not however be completely explained until the tables of horse mortality and disease clearly show the relative importance of the various causes of death and depreciation in value.

The researches into the percentage of disasters (death only and death and sickness combined) are of great practical importance in relation to the greater or less degree of the risks undertaken. We shall give again below the data for Finland compared with those for Sweden. Let us, however, remark that the former are calculated in Finland marks and the latter in Swedish crowns (1).

(1) 1 crown = 1.39 fr.

Amount of Risk in Marcs or Crowns	Percentage of Mortality in Finland	Percentage of Mortality and Sickness Combined	
		Finland	Sweden
- 300	1.59	2.75	2.49
300- 500	1.09	2.49	2.06
500- 700	1.38	3.18	2.57
700- 900	1.03	3.17	3.32
900-1,100	0.22	1.56	3.56
1,100-1,500	1.14	2.75	4.17
1,500-2,000			3.99
2,000.			3.54

The exceptional safety of the risks of 300-500 marcs or crowns is worthy of observation. The reason is not yet absolutely certain. Yet the *Kreatursförsäkringsbolaget i Finland* considers it must be sought for partly in the law of large numbers, which comes more completely into play here, partly in the fact that the horses corresponding with this group are above all employed in agricultural work, which exposes them less than any others to accidents. Let us add also that there are too few cases of the largest risks for serious conclusions to be based on them.

The board of management of the *Kreatursförsäkringsbolaget i Finland* has also in its report on the work of the society for the years 1897-1901 given interesting information on the mortality of horned cattle. The board, however, only refer to a small section of the insurance business, or more exclusively to insurance against both death and compulsory slaughter: we shall abstain from reproducing them here.

Let us hope that the Society will continue its researches, the scientific and practical importance of which will escape no one.

Part III: Credit

BULGARIA.

THE WORK OF THE POSTAL SAVINGS BANK.

SOURCES :

π (Dr. S.): *L'épargne en Bulgarie (Savings in Bulgaria)*. « Le Mouvement Economique »
Klober 1st., 1912. Vol. XVI. No. 95. Bucharest.

α (Dr. F.): *Die Postsparkassen als Volks- und Staatsbanken (Postal Savings Banks as
People's and State Banks)*. Tübingen, 1908.

§ 1. THE POSTAL SAVINGS BANK AND ITS WORKING.

In 1884, the Bulgarian Government planned the institution of a postal savings bank, and, on the 20th. of January of the next year, the law for the institution of this bank was passed. However, it was only on January 1896 that the work of the new establishment could begin at its head office in Sofia and in 74 branches scattered over the principality. Today the Bank is working in almost all the post offices and in all the corners of the kingdom. The Bank is immediately dependent on the Emperor and the Court of Accounts: the deposits are invested by the Bulgarian People's Bank.

The Bank works nearly in the same way as that of Roumania, it gives the depositor a personal savings bank book, which is not transferable: the minimum deposit is 1 lew, and the deposits of individuals may not exceed 2,000 lewa; but may be 5,000 lewa in the case of charitable establishments and similar associations. The Bank pays the depositors 4 % interest. This interest is paid out of the profits of the Bank, and above all of the 4 ½ % interest the National Bank — by virtue of special provisions in the law — pays the Savings Bank on its capital.

The Savings Bank has an open current account with the National Bank: in cases of necessity the Treasury is authorized to make advances on deposit of State securities or bonds.

During the year 1906 the working expenses amounted to 0.28 % of the deposits, that is to say, on an average to 18 *stotinki* per transaction.

The Bulgarian, like the Roumanian, Bank is authorized to use the deposits made with it for purchase of personal securities for its customers paying no commission : it may convert the surplus deposits into State Securities. Deposits may be withdrawn under the following conditions : at sight, for amounts up to 25 lewa ; at 5 days' notice, for amounts of between 25 and 50 lewa ; 10 days' notice for amounts between 50 and 100 lewa ; 15 days' notice, for amounts between 100 and 500 lewa ; 20 days' notice, for amounts between 500 and 1,000 lewa ; 25 days' notice, for amounts in excess of 1,000 lewa.

§ 2. DEPOSITS AND WITHDRAWALS.

In the year of its foundation (1896), in which the working year was only 9 months, the Bank collected altogether 828,403 lewa, in a total number of 8,186 books; the average deposits were therefore about 101 lew per book. In 1900, there were already 4,760,212 lewa deposited, in a total number of 12,327 books, giving an average of 386 lewa per book. In 1911, this average fell, it is true, to 172 lewa per book, but the total deposits increased, on the contrary, to 53,693,000 lewa and the number of depositors to 312,462.

We reproduce below some figures in relation to the fluctuations of the deposits and the number of depositors in the period 1900-1911.

Year	Amount of Deposits (including interest) (Lewa)	Bank Books Issued	Average per Book (Lewa)
1900.	4,760,212	53,194	89
1901.	6,675,463	67,795	98
1902.	8,104,405	84,098	96
1903.	10,951,521	101,038	108
1904.	15,920,398	124,007	128
1905.	21,893,322	148,963	147
1906.	27,787,574	175,630	158
1907.	31,801,743	201,956	157
1908.	35,205,602	225,879	156
1909.	41,032,579	252,920	162
1910.	45,816,302	280,775	163
1911.	53,692,953	312,462	172

We see that the increase of savings in Bulgaria has been rapid and constant since 1901. Only the two years 1907 and 1908 show a slight

est, the effect above all of the great financial crisis of 1907 and the internal political excitement (Proclamation of Bulgarian Independence in 1878).

The following table gives some important figures relating to the fluctuations in the amounts deposited and withdrawn from the foundation of the Bank up to 1911.

Years	Deposits		Withdrawals		Average Amounts	
	Number	Amount (lewa)	Number	Amount (lewa)	Deposited	Withdrawn
1896	27,236	1,352,693	6,888	535,527	49.66	77.90
1900	90,963	6,246,605	76,209	5,559,226	68.69	72.94
1905	198,876	18,032,022	121,350	12,752,150	90.67	105.08
1910	237,368	30,526,733	169,163	27,349,166	128.61	161.67
1911	256,635	35,784,557	173,150	29,741,205	139.44	171.77

§ 3. CONSIDERATIONS ON THE DISTRIBUTION OF SAVINGS.

The economic and social importance of the Bulgarian Savings Bank ought into relief, not only by the total figures showing the increase of deposits, but also and especially by the figures showing this movement in relation to the population, on the one hand, and the various classes of savors, on the other.

The following table gives some interesting figures showing the amounts, deposits and withdrawals per thousand inhabitants, as well as the total number of operations conducted annually for each of the following years:

Years	Deposits per 1,000 inhabitants (lewa)	Withdrawals per 1,000 inhabitants (lewa)	Number of Operations Conducted in the Year
1896	390	154	42,310
1900	1,694	1,508	202,366
1905	4,536	3,208	406,040
1910	7,151	6,406	550,389
1911	8,266	6,870	593,921

These figures are sufficiently eloquent and call for no further explanation. It is interesting, on the other hand, to consider the distribution of

savings among the various classes of the population. We reproduce some data in this connection.

Percentage of the Various Classes of Depositors at the End of the following Years.

Class of depositors	1900	1905	1910	1911
Women and Children.	—	17.70	22.45	22.88
Schoolchildren.	9.94	8.45	7.45	7.26
Servants and Employees.	29.17	23.44	19.70	19.13
Schoolmasters.	8.53	5.84	4.62	4.47
Artisans and Labourers.	15.65	17.65	18.86	19.01
Farmers.	2.66	6.15	9.51	10.12
Dealers.	5.95	5.75	4.85	4.86
Professional Persons.	2.60	4.26	3.17	3.04
Miscellaneous.	25.50	10.76	9.39	0.23

We see from this table how rapid has been the development of Savings Banks among the less well off population and above all in the agricultural class. If, instead of considering the percentages at the end of various years, we consider those of the new depositors in the year, we shall find that the proportion of these to the agricultural population increases in the years 1900, 1905, 1910 and 1911 from 4.17 to 10.37, 13.83, and 15.48.

Much more might be said on the progress made and the importance assumed in recent years by the Post Office Savings Bank in Bulgaria.

It will, however, be enough to note in conclusion that this institution has perfectly attained its end of collecting the small savings, and that the great majority of customers have deposits of less than 500 lewa (82.72 in 1905, and 80.72 % in 1910).

However, the Savings Bank not only stimulates the spirit of saving in the population resident in the kingdom, but also fulfils an important office in respect of the emigrants in America.

In behalf of these the Bank issues special personal bank books that keeps possession of and in which it enters all the savings sent home by the owners giving them interest. The books can only be returned to the emigrants on his return to Bulgaria. This work was begun in 1909, with 68 depositors depositing 67,292 lewa; in 1910 457 new books were issued with deposits of 606,466 lewa and the year following there were 611 new customers who deposited 842,585 lewa. The progress in this department has been no less than in the other departments of the Bank, increasing annually 35 %.

UNITED STATES.

THE SOURCES OF RURAL CREDIT AND THE EXTENT OF RURAL INDEBTEDNESS (*Continued*).

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PART II (a).

INVESTIGATION MADE BY THE SECRETARY OF AGRICULTURE IN 1912.

§ I. METHODS OF THE INVESTIGATION.

In view of the possibility of legislation concerning rural credit and provide the information useful in discussion, the effort was made in the autumn of 1912 by the Secretary of Agriculture to collect a of a *descriptive sort*. A schedule of questions was sent to 9,000 sons in all of the rural counties of the United States. There were at 3,000 country bankers, about the same number of prominent farm- and also about the same number of country merchants and men of er occupations taken from the list in use by the Bureau of Statistics collect monthly reports of the prices of farm commodities. It thus ears that the whole country was thoroughly covered by the schedule. : nature of the questions will appear upon examining the tenor of the wers.

Three classes of correspondents were chosen in order that if any as bias appeared it would be recognized and allowances made for exag- ation or deficiency of statement. It was hardly discoverable that class s entered considerably into the answers given. Where differences eared among the classes of correspondents they were probably quite much due to differences of thoroughness of information as to bias, i perhaps differences in point of view influenced the answers. At f rate the three classes of correspondents reported remarkably well

(1) The first part of this article appeared in the *Bulletin of Economic and Social Intel- nce* of April, 1913.

and intelligently, and, no doubt, with faithful and sincere desire to contribute to a truthful description of local conditions bearing upon credit.

The questions were so worded as to call for answers in numerical form in order that they might be consolidated and treated arithmetically. A set of tabulations was given to each class of correspondents, and as the three classes were combined after it was observed that the differences were not usually too great to be harmonized. Probably on the whole the combination of the returns from the three classes of correspondents into one set of results is often nearer the fact than is indicated by any one of the three classes. However that may be, the chief results of the investigation are herewith presented with the hope that they may be of service.

§ 2. CHIEF RESULTS OF THE INQUIRY.

Farmers able to give good security. — The first effort of the inquiry was to ascertain the fraction of the farmers owning their land who are able to give good security or indorsed note for a loan. In the opinion of the correspondents, 77 per cent of the farm owners may be so regarded, and the corresponding percentage for tenants is 46; that is to say, about three-quarters of the farmers owning their land and nearly one-half of the tenants are able to give good security or endorsed notes for a loan. The farm owners and tenants unable to do this were then dropped from further consideration.

TABLE IX. — *Ability of farm and plantation owners to give good security or endorsed notes for a loan.*

Geographic division	Percentage of owners and tenants able and not able to do so			
	Owners		Tenants	
	Able	Not able	Able	Not able
	Per cent.	Per cent.	Per cent.	Per cent.
New England.	80	20	42	58
Middle Atlantic.	82	18	53	47
South Atlantic.	71	29	34	66
East North Central.	83	17	55	45
West North Central.	84	16	60	40
East South Central.	66	34	30	70
West South Central.	68	32	38	62
Mountain.	75	25	47	53
Pacific.	81	19	49	51
United States.	77	23	46	54

Deficient supply of credit.—It was next attempted to ascertain what percentage of the farmers owning their land and able to give good security on an endorsed note is unable to obtain needed short-time or accommodation loans and advances because of insufficient opportunities to borrow. It appears that 48 per cent of the correspondents reported that farm owners were able to obtain such loans. The other correspondents reported that 6 per cent of the farm owners in their communities were unable to do so.

A similar question pertaining to long-time loans brought reports from 47 per cent of the correspondents that farm owners were able to obtain such loans. The remaining correspondents reported that 40 per cent of the farm owners were unable to do. The corresponding percentages for tenants are nearly the same. It is easier to obtain short-time loans than long-time loans.

No attempt was made in the schedule to define long time and short time. This was purposely avoided in order that the correspondents might make their answers correspond to the local variations from the general fact. This general fact was that short-time loans were for periods less than one year.

TABLE X. — *Deficiency of credit to farm and plantation owners and tenants able to give good security or indorsed note. — Short time loans.*

Geographic division	Percentage of correspondents reporting no deficiency of credit to		Where deficiency of credit is reported, percentage of owners or tenants unable to get credit	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	63	65	44	37
Middle Atlantic	60	57	27	32
South Atlantic	37	35	37	39
East North Central	61	60	32	31
West North Central	58	57	35	34
East South Central	32	32	38	39
West South Central	33	32	36	41
Mountain	43	46	42	38
Pacific	46	45	41	37
United States	48	47	36	37

TABLE XI. — *Deficiency of credit to farm and plantation owners and tenants able to give good security or indorsed notes. — Longtime loans.*

Geographic division	Percentage of correspondents reporting no deficiency of credit to		Where deficiency of credit is reported, percentage of owners or tenants unable to get credit	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	70	71	31	39
Middle Atlantic . . .	60	57	27	36
South Atlantic	30	30	44	50
East North Central . .	61	57	31	32
West North Central . .	63	55	38	42
East South Central . .	26	24	43	43
West South Central . .	29	25	44	52
Mountain	40	41	41	43
Pacific	47	47	36	39
United States	47	43	40	44

Conservative and profitable uses. — Correspondents were requested to state what percentage, in their opinion, of the farmers owning their land and able to give good security or indorsed note would use borrowed money beyond the amount, if any, now owed by them conservatively and profitably. Many of the correspondents answered this question in such a way as to indicate that they did not understand it; but of the answers indicating a correct understanding 26 per cent reported that no farm owners would so use borrowed money and the remaining correspondents who answered this question reported that 32 per cent of the farm owners would use borrowed money conservatively and profitably. Almost exactly the same percentages are indicated for tenants able to give good security or indorsed notes.

TABLE XII. — *Use of further credit by farm and plantation owners and tenants able to give good security or endorsed note.*

Geographic division	Percentage of correspondents reporting that further credit would not be used profitably and conservatively by		Where it was reported that further credit would be used profitably and conservatively, percentage of owners or tenants who would so use it.	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	30	38	23	24
Middle Atlantic	36	33	25	27
South Atlantic	16	18	31	32
East North Central . .	37	35	25	27
West North Central . .	38	35	34	34
East South Central . .	15	20	34	32
West South Central . .	13	15	40	39
Mountain	18	22	38	37
Pacific	24	30	30	28
United States	26	27	32	33

Crop liens.—It is with much interest that the answers concerning crop liens have been aggregated. One question asked what percentage of the farmers owning their land, who raise cotton, place a lien on a growing to secure advances or supplies; and this question was followed by a similar one 10 years ago. In the combined answers of the three classes of correspondents, 7 per cent reported that no farm owners placed liens on the cotton crop; the remaining correspondents reported that 42 per cent of the farm owners did so, and that 52 per cent of them did so 10 years ago. The decline in the percentage therefore is 10 absolutely, or about 20 per cent relatively.

Similar questions were asked concerning tenants; and of the answers, 10 per cent stated that no tenants placed liens on the cotton crop, while the remaining answers showed that 74 per cent of the tenants now place liens on the cotton crop to secure advances or supplies, and that 77 per cent of them did so 10 years ago. The decrease is hardly perceptible.

TABLE XIII. — *Liens placed on the cotton crop by farm and plantation owners and tenants to secure advances and supplies.*

Geographic division	Percentage of correspondents reporting that no liens are placed on the cotton crop by		Where liens are placed on the cotton crop, percentage of owners or tenants who do so	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	—	—	—	—
Middle Atlantic . . .	—	—	—	—
South Atlantic	9	3	40	74
East North Central . .	—	—	—	—
West North Central . .	0	0	33	56
East South Central . .	6	2	47	78
West South Central . .	6	2	41	73
Mountain	—	—	—	—
Pacific	—	—	—	—
United States	7	2	42	74

TABLE XIV. — *Liens placed on the cotton crop by farm and plantation owners and tenants to secure advances and supplies, 1912 and about 1902.*

Geographic division	Where liens are or were placed on the cotton crop, percentage of owners or tenants doing so			
	Owners		Tenants	
	1912	About 1902	1912	About 1902
	Per cent.	Per cent.	Per cent.	Per cent.
New England	—	—	—	—
Middle Atlantic . . .	—	—	—	—
South Atlantic	40	52	74	78
East North Central . .	—	—	—	—
West North Central . .	33	45	56	61
East South Central . .	47	57	78	82
West South Central . .	41	50	73	74
Mountain	—	—	—	—
Pacific	—	—	—	—
United States	42	52	74	77

Pursuing the subject of crop liens, 29 per cent of the reporting correspondents stated that no farmers owning their land, who raised crops other than cotton, placed liens on such crops, and the rest of the correspondents reported that 24 per cent of the farmers did so. A similar question applied to tenants and brought answers from 17 per cent of the respondents that farm tenants did not place liens on crops other than cotton, and the rest of the correspondents reported that 40 per cent of the tenants did so.

TABLE XV. — *Liens placed on crops other than cotton by farm and plantation owners and tenants.*

Geographic division	Percentage of correspondents reporting that no liens are placed on crops other than cotton		Where liens are placed on crops other than cotton, percentage of owners or tenants who do so	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	47	44	10	16
Middle Atlantic. . . .	55	43	14	21
South Atlantic	23	16	32	53
East North Central . .	45	26	13	19
West North Central . .	37	14	16	26
East South Central . .	15	11	30	55
West South Central . .	11	7	34	61
Mountain	23	17	21	32
Pacific	29	20	17	29
United States	29	17	24	40

Chattel mortgages. — Information was obtained concerning personal-property mortgages. Seventeen per cent of the reporting correspondents stated that no farm owners place liens on their live stock, farm machinery, other personal property of the farm; and the rest of the correspondents reported that 25 per cent of them did so. The corresponding percentages for tenants are that in 7 per cent of the communities no personal-property mortgages were given by tenants, and in the other communities from which reports were received 43 per cent of the tenants did so.

TABLE XVI. — *Liens placed on personal property of the farm by farm and plantation owners and tenants.*

Geographic division	Percentage of correspondents reporting that no liens are placed on personal property of the farm		Where liens are placed on personal property of the farm, percentage of owners or tenants who do so	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	19	18	12	24
Middle Atlantic	35	21	14	26
South Atlantic	15	10	26	52
East North Central . .	27	8	11	21
West North Central . .	17	3	23	40
East South Central . .	12	4	29	53
West South Central . .	6	3	39	69
Mountain	7	7	27	40
Pacific	18	9	16	26
United States	17	7	25	43

Warehouse Receipts. — In communities where elevators and other warehouses are employed for storing grain, tobacco, cotton, and other products, warehouse receipts may be pledged as security for loans. It was sought to discover the extent of this practice, and 63 per cent of the correspondents reported that it did not exist, and the remaining correspondents reported that 26 per cent of the farmers holding warehouse receipts used them for the purpose of getting credit.

TABLE XVII. — *Use of warehouse receipts to secure credit by farm and plantation owners and tenants.*

Geographic division	Owners and tenants combined	
	Percentage of correspondents reporting no use of warehouse receipts to secure credit	Where warehouse receipts are used to secure credit, percentage of owners and tenants who so use them
	Per cent.	Per cent.
New England.	86	34
Middle Atlantic.	85	8
South Atlantic.	52	31
East North Central.	78	13
West North Central.	76	17
East South Central.	45	28
West South Central.	53	34
Mountain.	60	35
Pacific.	38	21
United States	63	26

§ 3. PRINCIPAL SOURCES OF CREDIT.

A short analysis of the sources of agricultural credit was attempted with considerable success. There are often various sources of credit in the same community, and it was hoped that the correspondents would be able to determine the relative importance of each.

General sources of credit. — It appears that of the principal sources of agricultural loans and advancements (not including purchase money) local banks supply 57 per cent of the total agricultural credit in communities where banks exist; neighbours supply 16 per cent in communities where they contribute anything to the supply of credit; individual lenders in near-by cities and towns supply 12 per cent in communities in which any supply of credit is derived from them; loan agents for outside capital supply 16 per cent in communities where such loan agencies exist; local general stores supply 25 per cent in communities where they contribute anything to the supply of credit; and unclassified sources of credit supply 13 per cent in the communities where these unmentioned sources of supply exist,

Local banks supply more than half of the agricultural credit, general stores supply one-quarter, and both supply more than three-quarters. The supply from neighbours is about one-seventh. The credit that is supplied from a distance, or what may be regarded as the supply from outside sources, is about one-seventh of the total supplied; and consequently it appears that about six-sevenths of the supply is derived from strictly local and near-by sources.

These conclusions apply to the communities in which these sources of credit are found. They are not found in all communities. It was reported by correspondents that in 1 per cent of the communities there was no supply of credit by banks; in 11 per cent of the communities no supply by neighbours; in 39 per cent of the communities by individual lenders in near-by cities and towns; in 51 per cent of the communities no supply by loan agents for outside capital; in 47 per cent of the communities no supply by local general stores; and in 93 per cent of the communities no supply from other sources.

Geographic division	Percentage of correspondents reporting absence of the source mentioned						Where the source mentioned is present, percentage of the total agricultural credit (excluding purchases of the total money) supplied by it					
	Local banks	Neigh- bours	Individual lenders in country cities and towns	Loan agents for outside capital	Local general merchants	Unsup- plied sources	Local banks	Neigh- bours	Individual lenders in country cities and towns	Loan agents for outside capital	Local general merchants	Unsup- plied sources
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
New England	2	5	44	85	67	88	62	23	16	12	14	8
Middle Atlantic . . .	3	4	40	69	58	94	56	27	14	12	19	10
South Atlantic . . .	3	11	40	60	34	90	51	17	12	10	34	18
East North Central .	(a)	7	33	51	58	95	62	18	13	14	14	9
West North Central .	0	12	41	41	60	98	64	12	10	23	13	10
East South Central .	4	9	44	62	28	91	47	19	14	11	34	14
West South Central .	1	15	41	52	25	90	51	12	11	14	34	8
Mountain	1	18	30	30	43	92	57	12	14	17	19	16
Pacific	3	7	38	46	52	91	57	18	14	16	18	14
United States . . .	1	11	39	51	47	93	57	16	12	16	25	13

(a) Less than 1/2 of 1 per cent.

Range of Amounts of Loans.—An effort was made to ascertain the range of the bulk of the individual amounts of loans and advances made to farmers owning their land but not including purchase money. In the opinion of the correspondents, the range is, on the average, answers, from \$274 to \$1,767; and a similar question concerning tenants indicates a range of \$107 to \$473.

TABLE XIX. — *Range of the bulk of the individual amounts of loans and advances (excluding purchase money) made to farm and plantation owners and tenants.*

Geographic division	Average for owners		Average for tenants	
	From	To	From	To
	\$	\$	\$	\$
New England.	228	955	104	310
Middle Atlantic.	285	1,824	107	454
South Atlantic.	209	1,174	76	286
East North Central.	235	1,825	103	471
West North Central.	352	2,442	137	712
East South Central.	250	1,225	78	249
West South Central.	185	1,104	85	335
Mountain.	415	2,694	158	669
Pacific.	398	2,587	163	802
United States.	274	1,767	107	473

Special Source of credit: Store Credit. — There is one source of credit in rural regions in the United States that is very prevalent, and yet is rarely mentioned in discussions of rural credit. This is the running accounts at the stores where the farm owners and tenants buy groceries and other goods without giving security. Correspondents were requested to report with regard to this, and the answers indicate that 59 per cent of the farmers owning their land have running accounts with local merchants and that 53 per cent of the tenants have such accounts in communities where this form of credit exists.

In 1 per cent of the communities it was reported that farm owners did not obtain store credit, and in 2 per cent of them that tenants did not do so. Country merchants sell goods on trust to more than one-half of the farm owners and farm tenants in their communities, and this without security.

TABLE XX.—*Running accounts with merchants, without security for farm and plantation owners and tenants.*

Geographic division	Percentage of correspondents reporting that there are no running accounts with merchants, without security, for		Where such running accounts exist, percentage of owners or tenants who have them	
	Owners	Tenants	Owners	Tenants
	Per cent.	Per cent.	Per cent.	Per cent.
New England	0	6	57	57
Middle Atlantic	2	0	55	59
South Atlantic	1	3	63	48
East North Central . .	1	2	53	56
West North Central . .	1	1	60	62
East South Central . .	1	3	59	43
West South Central . .	(a)	2	54	35
Mountain	0	2	73	65
Pacific	1	0	70	68
United States	1	2	59	53

(a) Less than $\frac{1}{2}$ of 1 per cent.

§ 4. CONDITIONS OF LOANS.

Costs of borrowing.—Rates of interest alone do not determine the cost of borrowing. There are commissions, bonuses, and various costs and expenditures borne by the borrower, and these, if added to the rate of interest, can considerably increase it. It was reported by 22 per cent of the answering respondents that no commissions were paid in their communities; those who stated that commissions were paid disagreed very considerably. One country banker stated that the rate of commission, when paid, was 1 per cent. The country merchant and persons of other occupations substituting another class of correspondents reported 4 per cent, and the farmers reported 5 per cent. These differences seem hardly capable of being reconciled. The terms for which mortgages are made usually range from three to five years, and consequently a commission of from 2 to 5 per cent adds appreciably to the annual rate of interest.

The correspondents were requested to report costs of abstracts, if paid by the borrower, and 94 per cent of the responses reported that the borrower did not pay for an abstract. It appears from the answers by respondents that in cases where the borrower paid for an abstract title, or for searching the records, the average cost was \$11.40, and in cases where the borrower paid the conveyancer for drawing the papers

the average cost was \$4.70. Sometimes, too, the borrower was required to pay the registration fee, and when he did so the average cost was \$1.50.

TABLE XXI.—*Expenses of obtaining agricultural credit. Absence of expense*

Geographic division	Percentage of correspondents reporting that there is no expense for			
	Commission	Abstract or search of title	Legal papers	Recording
	Per cent.	Per cent.	Per cent.	Per cent.
New England	62	96	92	96
Middle Atlantic . . .	49	89	89	96
South Atlantic	17	83	67	78
East North Central . .	33	99	94	100
West North Central . .	15	99	97	99
East South Central . .	21	94	89	73
West South Central . .	12	86	78	78
Mountain	15	89	85	89
Pacific	24	90	95	100
United States	22	94	88	91

TABLE XXII.—*Expenses of obtaining agricultural credit. Average of each item of expense paid.*

Geographic division	Where item of expense is paid, average amount			
	Commission	Abstract or search of title	Legal papers	Recording
	Per cent.	\$	\$	\$
New England	4	5.00	2.62	1.00
Middle Atlantic . . .	5	10.83	8.33	1.75
South Atlantic	6	8.84	4.00	1.55
East North Central . .	3	15.00	4.17	—
West North Central . .	2	2.00	1.12	25
East South Central . .	6	26.25	3.56	1.45
West South Central . .	6	15.00	4.70	1.20
Mountain	4	11.00	5.08	3.00
Pacific	4	4.25	25.00	—
United States	4	11.40	4.70	1.50

Rates of Interest.—Substantially no statistics of rates of interest paid by farmers have been collected in this country since the census of 1890; and consequently it was especially desirable that the correspondents be requested to contribute information in this investigation and report with regard to the subject. Six questions were framed, and these were answered with undoubted understanding as to the meaning of the questions. The results are of much interest.

The questions were expressed in dual form, in such a way as to call for an answer for agricultural loans and also for loans on town and city real estate, the circumstances of the loans being otherwise substantially the same.

The interest rates on the bulk of the purchase money throughout the United States range from 6 to 8 per cent in the case of farms; and also from 6 to 8 per cent in case of town and city real estate.

Upon taking account of the differences in rates of interest as between town and town property, it is discovered that in the case of purchase-money loans 10 per cent of the responses state that the rates are higher for farms than for town and city real estate; 33 per cent report that the rates are lower for farms than for town and city real estate; and 57 per cent report that there is no difference in rates of interest on purchase-money loans between the two classes.

TABLE XXIII. — *Rates of interest on the bulk of purchase-money loans on farms and on city and town real estate, the time and amount in both cases being about the same.*

Geographic division	Range of rates for bulk of loans			
	High		Low	
	For farms	For city and town real estate	For farms	For city and town real estate
	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.
New England	6	6	5	5
Middle Atlantic.	6	6	5	5
South Atlantic	8	8	6	6
East North Central	6	7	5	6
West North Central	7	8	5 ½	6
East South Central	10	8	6	6
West South Central	10	10	8	8
Mountain	10	10	8	8
Pacific	8	8	7	7
United States	8	8	6	6

A similar question was asked with regard to short-time loans, with the result that 11 per cent of the answering correspondents reported a higher rate for farms than for town and city real estate, 21 per cent reported a lower rate for farms, and 68 per cent reported no difference.

TABLE XXIV. — Rates of interest on the bulk of loans other than for purchase money on farms and on city and town real estate, the time an amount in both cases being about the same. Short-time loans.

Geographic division	Range of rates for bulk of loans			
	High		Low	
	For farm	For city and town real estate	For farm	For city and town real estate
	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.
New England.	6	6	6	5
Middle Atlantic.	6	6	5½	5
South Atlantic.	10	8	6	6
East North Central.	7	7	6	6
West North Central.	10	10	6	7
East South Central.	10	10	6	6
West South Central.	10	10	8	8
Mountain.	12	12	10	10
Pacific.	10	10	8	6
United States.	10	10	6	6

The same question for long-time loans induced 8 per cent of the responses to report that the rates of interest on farm loans were higher than for those on town and city real estate, 33 per cent to report that the rates were lower on farms, and 59 per cent to report no difference between the two classes of real estate.

TABLE XXV. — *Rates of interest on the bulk of loans other than for purchase money on farms and on city and town real estate, the time and amount in both cases being about the same. Long-time loans.*

Geographic division	Range of rates for bulk of loans			
	High		Low	
	For farms	For city and town real estate	For farms	For city and town real estate
	Rate per cent.	Rate per cent.	Rate per cent.	Rate per cent.
New England	6	6		
Middle Atlantic	6	6	5	5
South Atlantic	8	8	5	5
East North Central	6	7	6	6
West North Central	8	8	5 ½	6
East South Central	8	8	6	6
West South Central	10	10	8	8
Mountain	10	10	8	8
Pacific	8	8	6	6 ½
United States	8	8	6	6

TABLE XXVI. — *Rates of interest on loans on farms compared with those on loans on city and town real estate, the time and amount of the loans in both cases being about the same.*

Geographic division	Farm rate compared with city and town rate: Percentage of reports								
	Farm rate higher			Farm rate lower			Farm rate same as city and town rate		
	Purchase money	Short Time	Long Time	Purchase money	Short Time	Long Time	Purchase money	Short Time	Long Time
	%	%	%	%	%	%	%	%	%
New England	27	16	21	7	8	6	66	76	73
Middle Atlantic	13	13	15	22	12	22	65	75	63
South Atlantic	12	15	11	9	8	8	79	77	81
East North Central	5	5	4	44	26	45	51	69	51
West North Central	4	6	2	63	39	60	33	55	38
East South Central	15	18	16	16	12	16	69	70	68
West South Central	14	13	10	22	14	23	64	72	67
Mountain	13	10	7	31	15	30	56	75	63
Pacific	15	16	17	29	16	24	56	68	59
United States	10	11	8	33	21	33	57	68	59

The trend of the rate of interest on farm mortgages since the census investigation of 1890 has undoubtedly been downward in all parts of the United States. One reason for this is that the supply of credit has, on the whole, increased in somewhat greater degree than the demand for it. But another reason for the declining rate of interest since 1890 is found in the decreasing risk in farm loans. During a period of 25 years or so, in the middle of which was 1890, the risk in making farm loans was considerable. It was the period of agricultural overproduction, of the taking of immense areas of new land into cultivation, of the destructive use of the natural fertility of the soil, with results found in lower prices of products and depressing competition. The rates of interest on farm mortgages during that period reflected the lenders' sense of risk in making the loans.

Added to this was the general practice of loan agents, mortgage companies, and other lenders to exact a commission from the borrower; and this commission was an exorbitant one.

Since the census investigations of farm and home tenure and of real estate mortgages in 1890, no statistics have been collected concerning the rates of interest on farm mortgages or any other private indebtedness. Notwithstanding the lapse of time and many changes in the circumstances of farmers, brief use may instructively be made of some of the results of the census investigation of 1890 with regard to rates of interest on farm mortgages.

As before remarked, these rates are somewhat greater than those of the present time. In Table XXVII may be found a statement of the average annual rates of interest on mortgages on farms and other homes occupied by owners and also on the mortgage debt covering real estate commonly measured in acres and commonly measured in square feet. At that time the average rate of interest on farms operated by owners was 7.1 per cent and on other homes occupied by owners, 6.2 per cent. Farm mortgage rates were as high as 9.9 per cent in the Mountain State.

Homes other than farms were subdivided into three classes. For homes in cities and towns of 8,000 to 100,000 population, the average rate of interest on mortgages was 6.3 per cent; for mortgages on homes in cities and towns of more than 100,000 population, the rate was 5.7 per cent; while the rate of homes other than farms outside of cities and towns of 8,000 population was 6.7 per cent.

In the investigation of real estate mortgages in the census of 1890 it was ascertained that the average rate of interest on mortgages covering tracts of land commonly measured in acres was 7.4 per cent. The rate for mortgages on land commonly measured in square feet was 6 per cent. Details for the geographic divisions may be found in the table.

The average rates of interest on the mortgage debt incurred year from 1880 to 1889 was ascertained in the census of 1890. The averages were based on all real estate mortgages made in the United States. Commissions were included in the rates of interest as in all work done in the census of 1890 with regard to rates of interest. The average rate of it

est on mortgages covering tracts of land commonly measured in acres, 7.62 per cent in 1880. The rate declined in 1881 and again in 1882, when it reached the rate of 7.43 per cent. This was followed by an increase without interruption to 7.73 per cent in 1886, after which there was an uninterrupted decline to 7.52 per cent in 1889.

TABLE XXVII. — Average annual rates of interest on real estate mortgages, 1890.

Geographic division	For farms	For other homes	For 3 classes of other homes			For area measured in	
			In cities and towns of more than 100,000 population.	In cities and towns of more than 10,000 population.	Outside of cities and towns of population under 10,000.	Acres	Square feet
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
New England	5.8	5.5	5.5	5.3	5.8	5.8	5.5
Middle Atlantic	5.6	5.5	5.7	5.2	5.7	5.7	5.5
South Atlantic	6.6	6.3	6.3	5.9	6.5	7.0	6.4
East North Central	6.9	6.8	7.0	6.4	7.0	6.9	6.6
West North Central	8.0	7.8	7.8	7.0	8.4	8.3	7.8
East South Central	7.7	7.0	7.0	6.0	7.1	7.5	6.5
West South Central	8.5	9.0	9.6	7.9	8.9	9.3	8.8
Mountain	9.9	9.3	9.5	7.9	10.3	9.1	8.8
Pacific	8.9	8.6	8.9	6.9	9.3	8.9	8.8
United States	7.1	6.2	6.3	5.7	6.7	7.4	6.2

In 1890 the families occupying owned and mortgaged farms and other homes and also the amounts of mortgage debt thereon were classified by rates of interest and the numbers were converted into percentages of the total, as exhibited in Table XXVIII. In this table it appears that 11 per cent of the families operating farms owned by them subject to mortgage paid rates of interest below 6 per cent, and the mortgage debt owed by them was 12.31 per cent of the entire mortgage debt on farms operated by owners.

For rates of interest over 8 per cent, the percentage for the number of farm families was 11.26 of the total; for the amount of the income, it was 15.46.

For all rates from 6 to 8 per cent the number of farm families was 71.83 per cent of the total number of farm families operating the farms owned by them, under mortgage, and the amount of mortgage debt was 72.23 per cent of the total amount of mortgage debt incumbering farms operated by owners. Percentages are included in the table for homes other than farms in order that comparison may be made.

TABLE XXVIII. — *Percentage of families occupying owned and incumbered farm homes and other homes and of the incumbrance thereon, classified by rates of interest, 1890.*

Rate of interest	Owned and incumbered			
	Farms		Other homes	
	For families	For incumbrance	For families	For incumbrance
	Per cent.	Per cent.	Per cent.	Per cent.
Lender 6 per cent. . .	6.91	12.31	14.99	32.46
6 per cent.	27.23	29.29	44.33	39.77
7 per cent.	15.51	16.18	11.47	8.54
8 per cent.	24.85	19.33	16.15	9.49
6 to 8 per cent. . . .	71.83	72.23	74.29	61.20
Over 6 per cent. . . .	65.86	58.40	40.68	27.77
Over 8 per cent. . . .	21.26	15.46	10.72	6.34
Over 10 per cent. . . .	1.99	1.60	1.74	1.05
Over 12 per cent. . . .	0.43	0.29	0.44	0.25

Reports of extreme conditions. — The correspondents who reported to the Secretary of Agriculture mentioned many extreme cases of hardship in rates of interest and inability of farmers to pay them. Cases of this sort were found in isolated communities, in communities where the agricultural practices were poor and inefficient, where the land required costly treatment to make it profitably productive, and where the loan market was inadequately supplied. There are many such places in a large country as the United States, but the population in them is scarce and the aggregate number is small.

There are, however, more populous regions of extensive area in the Southern States wherein the supply of credit is deficient, where the rate of interest is high, and where the costs of borrowing are exorbitant.

It should be understood at this place that the word "county" in the United States is the general name of a political subdivision of a State for certain administrative purposes. Its area varies enormously, in

most of the counties the area may be regarded as containing about 800 square miles.

From the many reports of correspondents, some extracts follow: a county in Georgia the statement is made that a barrel of flour costs more when bought on credit than when bought for cash. In another county the rate of interest to farmers on advances of goods and supplies is fully 30 per cent. In still another county, agents for loan money from outside sources exact a commission of 5 per cent in addition to the legal rate of 8 per cent, and again in another county it is reported that the loan agents get 10 per cent of the amount loaned to the farmer in fees.

A Florida correspondent states that the interest rate is 1 per cent a month and that 10 per cent of the farms in his county are foreclosed and sold at a sacrifice to pay loans.

The statement of another correspondent is as follows: "I have a note that would bring \$4,000 at auction. I tried to get a loan of \$300 on first mortgage to buy an engine and pump to irrigate with. I found no money, \$300 at 10 per cent, or \$30 per year. For getting the money the agent charged me \$15, and he compelled me to insure the things at a cost of \$15 more and also to pay for all papers, a further \$6. I borrowed \$300 for 3 years and the lender held back \$36 and gave me only \$264 in cash. The cost of this loan at 10 per cent a year on \$300 for three years is \$90; to this should be added \$36 retained by the lender, making the total \$126 for three years for loan of \$264.

In Mississippi, another Southern State, the merchants of a certain county who sell on credit charge a profit of 75 to 200 per cent on their goods. In another county the usual rate of interest on short time farm loans is 25 per cent from March to October. The advent of the cotton-louse weevil has caused a restriction in short time loans. In a certain county in South Carolina farmers pay the merchants a profit of from 25 to 50 per cent on purchases of goods and at the bank they get money giving a note for \$100, getting \$90 and paying back \$100 in 6 months.

Many of the small farmers in one county in Texas pay from 12½ to 15 per cent profit on advances made by merchants and others. All money loaned in another county, regardless of security, draws interest rates ranging from 10 to 15 per cent. A merchant doing business in one of the Texas counties states that "25 per cent is as low a rate of interest as I can afford." The bank rates of interest in another county range from 8 to 40 per cent. Most of the farmers of still another county borrow on credit and some pay a profit as high as 150 per cent. The farm agents in a certain county pay from 25 to 400 per cent profit. One report states that for a loan of \$1,200 a farmer gives a note for \$1,200 actually borrowed and a bonus of \$200, which is added to the face of the note. The total of the note is \$1,400 and this carried at 6 per cent interest for five years. A considerable number of farmers in one Texas county do borrow from banks and are able to give security pay interest at the rate of 15 per cent.

In a county of Colorado short-time loans of 30, 60, or 90 days bear interest at 18 per cent and long-time loans, 8 to 10 per cent. A merchant in a county of Iowa reports that borrowers pay a commission of 2 or 3 per cent and that in some cases the loan agent receives 2 per cent annually on the loans that he makes.

The rate of interest ranges from 8 per cent on long-time loans to 50 per cent on short-time loans in a county in Oklahoma; while in another county in that State money borrowed from banks on chattel security for 30 to 60 days bears interest at 24 to 30 per cent, including the commission; and in another county, local banks charge farmers from 12 to 20 per cent for loans. Short time loans are rarely under 24 per cent. reports another correspondent from a county of that State. In another community bankers charge 30 to 60 per cent on short-time loans. Merchants of a specified county charge 30 to 40 per cent over cash price for credit sales, and rates of interest on short-time loans often run high as 40 per cent.

The foregoing instances illustrate the extremities to which farmers are forced in some communities in the United States when they obtain credit. On the other hand, there are many instances of low rates of interest and of a plethora of money for loaning purposes.

A merchant in a county of Iowa reports that "our farmers are very prosperous and own 95 per cent of the bank deposits." "Four-fifths of the farmers in this county have money to lend," is the statement from another county. "Farmers own large blocks of rural bank stock," is reported by another correspondent. In Ohio, the reports from various counties state that "farmers loan to neighbours on short-time 5 per cent and occasionally 4;" "a large percentage of farmers in northern Ohio are lenders rather than borrowers;" the bank deposits in that instance of one county amounting to \$4,000,000 are due to farmers to the extent of 75 per cent. A banker reports that "we have sold \$150,000 of Ohio municipal bonds to farmers in this neighbourhood in the past few years to net 3.5 to 3.9 per cent."

The savings banks of Massachusetts offer to farmers money at 6 per cent on easy terms at small expense and many of the savings banks charge no more than 5 per cent on all loans of \$1,000 or more.

Farmers in a certain county in Wisconsin "loan money among themselves as low as 3 per cent and banks are able to loan but small part of their money at home for this reason." A merchant in another county states that of the total deposits in the local banks amounting to \$300,000 90 per cent comes from farmers. In another Wisconsin county nearly all owning farmers can borrow at 4 or 5 per cent and most of them have money to loan to other farmers. From another county the report is that "farmers loan to one another at 4 to 4½ per cent on endorsed paper."

A banker in Minnesota reports that his bank pays 4 per cent on deposits, lends for 6 or 7 per cent, and sends about half of its deposits to more recently settled portions of the State for lending. Another banker reports that his bank at the time of the report had an average

reserve of 70 per cent in cash, which it would be glad to loan to farmers if they would borrow it. From a banker in another county the assertion is that "this village has a population of less than 500 and two banks; the deposits are almost a quarter of a million, nearly all of which belong to farmers." Again in another county in Minnesota, "90 per cent of the bank deposits come from farmers."

From many counties in various States reports have been received that farmers have large amounts of money on deposit in banks. The statement of a banker in Illinois is that "the banks in this county hold more than \$1,500,000 on deposits, two-thirds of which belong to farmers." Again in another county "our banks show that 85 per cent of the open-account deposits belong to farmers." A merchant in a certain county states that "what we need is some place where we can invest our surplus money at a fair rate of interest."

The foregoing extracts from reports of correspondents concerning local conditions indicate that the local character of the loan market is not uniformly wholly good throughout the entire country.

Some writers and public speakers on the subject of rural credit in the United States are inclined to ignore the facts that oppose the generalizations that they express and consequently greatly misrepresent the situation. One writer asserts that "6,000,000 common every-day farmers — the producers of the great mass of the agricultural products — are unable to secure credit at reasonable rates in small amounts for a short time to tide them over emergencies." Such sweeping and preposterous statements as these are very greatly qualified by the recent investigation of the Secretary of Agriculture, although his investigation does establish the truth of the assertion that rural credit is very difficult and costly in many communities.

Co-operative Associations. — Finally, it was requested of correspondents to state what percentage, in their opinion, of the farmers known to them and to whom they would be willing to form an association to receive their own deposits for loaning to themselves, and also to borrow from outside, on the combined security of the property of all members, money to loan to themselves.

Of the correspondents, 32 per cent reported that there were no farmers who would be willing to form such an association, but the remainder of the correspondents reported that about 40 per cent of the farmers were ready to organize such co-operative associations.

The foregoing is a brief and highly condensed statement of the chief results of this investigation of local conditions relating to agricultural credit. Numerous variations from the general facts appear in the nine geographical divisions of the States, and still more so in the different States themselves.

TABLE XXIX. — *Farmers and planters willing to form an association to receive their deposits for lending to themselves, and also to borrow from the outside, on the combined security of the property of all members, money to loan to themselves.*

Geographic division	Percentage of correspondents reporting that no farmers and planters are known to them who would thus co-operate to obtain credit	Where willingness to co-operate was reported, percentage of farmers and planters who would presumably do so
	Per cent.	Per cent.
New England	53	31
Middle Atlantic	53	36
South Atlantic	26	36
East North Central	46	31
West North Central	36	41
East South Central	24	36
West South Central	20	52
Mountain	23	45
Pacific	35	46
United States	32	40

§ 5. SUPPLY OF RURAL CREDIT BY BANKS.

As has already been stated, there is little definitive information and no information that is comprehensive concerning the supply of credit in rural communities in the United States. Governmental statistical agencies have not collected and published information with regard to the undertakings of this sort are too costly for private performance. In this situation of ignorance concerning the subject the writer of this article has undertaken to ascertain some facts with regard to the supply of credit by banks in rural communities in selected States, with results that may be found in Table XXX. The table is small and yet the labor required to make it was large.

This table presents the number of banks in towns and cities of less than 5,000 population, the aggregate amount of their loans and discounts at a certain date, the percentage of the agricultural credit supplied by banks, the number of farms, and the value of farm property, and of products for a year. The object of the table is to compare the supply

dit by these banks with the number of farms and the value of farm-capital and farm products during a year.

In 102 counties in the State of Illinois, for instance, there are 921 banks from which farmers may and probably do obtain loans. The amount of the loans and discounts of these banks at a certain date in 1912 was \$156,949,000 and in this State about two-thirds of the credit obtained by farmers is derived from banks. In these 102 counties there are 251,872 farmers and if a loan were obtained for every farm and all the bank loans were made to farmers, the average amount would be about \$600. Of course all farmers in Illinois are not borrowers; a large fraction of them, instead, are lenders and another large fraction of them are not lenders and are not borrowers. The value of the farm products in these 102 counties in 1909 was less than four times the amount of the bank loans.

In Vermont, an old Eastern State, the loans and discounts of 67 rural banks in 13 counties amount to \$31,886,000 and the number of farms is 24,165, so that if all of these loans were made to all of the farmers the average per farm would be about \$1,000. From banks farmers obtain about 70 per cent of their credit in this State.

An average as high as \$1,000 per farm, if all loans were made to farmers, is found in the State of Montana and for California the average is considerably above this amount.

The dependence for credit placed by farmers on banks in the States mentioned in Table XXX is expressed by the numbers in the fourth column. In the Southern States of Virginia, Georgia, Arkansas, and Mississippi, the lowest percentages are found; that is to say, banks are depended on in a less degree in these States than in States in other parts of the country for a supply of credit to farmers. Outside of the South the farmers of the States mentioned depend on banks for about one-half to two-thirds of the credit obtained by them.

The general import of the table undeniably is that there is a very large supply of credit available to farmers in States outside of the South and that the amount of this available credit is probably large as an average for farmers who desire to borrow.

TABLE XXX. — Total for counties containing banks in towns and cities of less than 5,000 population: number of counties and of such banks amount of their loans and discounts, percentage of agricultural credit supplied by banks, number of farms and value of farm property and of products.

State	Number of counties	Banks about March 1st, 1912		Percentage of total amount of agricultural loans and advances (not inclusive of purchases of machinery) supplied by banks	Number of farms, 1910	Value of farm property, 1910	Value of farm products, 1909
		Number	Loans and discounts				
Vermont.	13	67	\$ 31,886,000	70	32,165	142,043,187	\$ 48,787,773
New Jersey.	21	126	33,689,000	57	33,487	254,832,665	62,633,438
Virginia.	86	276	38,419,000	58	167,269	567,513,328	136,416,945
Georgia.	133	545	48,631,000	51	279,332	553,321,939	246,215,996
Illinois.	102	921	156,949,000	66	251,872	3,905,321,075	58,419,346
North Dakota.	49	674	52,740,000	56	74,360	974,814,205	204,196,562
Kansas.	103	998	92,439,000	65	177,285	2,036,402,998	387,845,102
Arkansas.	71	348	29,671,000	39	204,743	381,245,386	146,118,062
Mississippi.	71	261	34,311,000	38	256,445	400,169,794	165,437,503
Montana.	26	163	25,705,000	57	25,813	344,115,668	66,744,476
Colorado.	54	258	24,726,000	56	44,204	475,382,255	86,899,884
Washington.	38	245	29,774,000	48	56,192	637,543,411	103,816,945

§ 6. CONCLUDING SURVEY OF THE SUBJECT.

We have already stated, that there is no co-operative rural credit in the United States. This form of credit is only practised in about a dozen very small Jewish agricultural communities, practically under the guardianship of the Jewish Agricultural and Industrial Aid Society. While it is not strange that rural communities of the old native stock of population have no co-operative credit societies for the reason that they are not familiar with this form of credit, this is not the fact throughout extensive regions which were originally inhabited by immigrants from European countries in which co-operative credit was well understood by them. Notwithstanding that they are familiar with this form of credit, they have never established a co-operative credit society in the United States.

A general survey of the whole country outside of the South finds a deficiency of rural credit to supply the demand, as a common fact; exceptions in particular communities, more or less isolated, are of probably small account as far as the number of inhabitants is concerned compared with the great body of millions of farmers who obtain the credit that they want.

In the Southern States the situation is different; the economic conditions have not been as favourable to farmers and planters as they have been elsewhere in the nation and the local supply of credit, although larger now than for many years previous, is still insufficient to satisfy the demands that farmers would make at a fair rate of interest.

It is not yet regarded as impossible that farmers in some parts of the United States will adapt themselves to the maintenance of co-operative credit societies. The reports to the Secretary of Agriculture in the autumn of 1912 from country bankers, merchants, and other rural correspondents indicate that a co-operative rural credit movement may be made practical and successful.

Yet the trend of the discussions in the United States concerning the supply of credit to farmers is directed more toward the reduction of the rates of interest and the elimination of commissions and other exorbitant costs than to the co-operative feature of credit. The general opinion at the time of the writing of this article is more toward the establishment of great land mortgage companies which shall issue bonds against the security of their mortgage loans in mass, with the expectation that such bonds will be regarded by investors as securities of the same class with the least element of risk. If such bonds were to be so regarded, they could be sold at low rates of interest and the receipts therefrom could be loaned to farmers at rates almost equally low.

Such a proceeding would amount to a guarantee of the bonds of the mortgage companies and it was the guaranteeing of bonds 20 to 30

years ago that wrecked many mortgage companies. Rural conditions, however, have changed since that time and, if loans are made by mortgage banks with reasonably good judgment, the risk of foreclosure of loans would be very small, under conditions prevailing in most counties of the United States.

The question is sometimes asked, What would farm owners and tenants do with more credit than they are now able to obtain, if they desired to get additional credit? The answer must be based upon general knowledge of agricultural conditions throughout the whole country and on the good and bad features of the character of farmers.

Among farm owners and tenants in this country there is a considerable element of men who are lazy, improvident, shiftless, ignorant, with no desire to learn, and without sensible agricultural practices. In the South there are a million agricultural tenants to whom this description applies. Any project to provide credit to these classes of agricultural workers must be regarded as purely academic and visionary, to say foolish.

But, having excluded farmers of this sort from any supply of additional credit, there remain an immense number of farmers competent to use, and use well and profitably, such credit as they will accept. A large fraction of these farmers now get all of the credit that they will take, but many do not, and a supply of additional credit to these farmers would return profit to them, would increase the national production of wealth, and would be conducive to the public welfare.

ROUMANIA.

THE SAVINGS BANK.

SOURCES:

CAISSES D'ÉPARGNE EN ROUMANIE (*Savings Banks in Roumania*). "Le mouvement économique", January 1st., 1913. Volume XVII, No. 98. Bucharest.

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INTRODUCTION.

The Roumanian State Savings Bank was founded by law of January 1, 1880 and the establishment commenced working on April 1st. of the following year. The bank has been placed under the immediate control of the Deposit and Loan Bank both to give it a more substantial guarantee and consequently assure a wider confidence for it, and to diminish the working expenses which would have been greater if the two banks had been conducted absolutely independently of each other. All the salt stores and offices for the collection of communal taxes, the district banks and post-offices, act as branches of the central savings bank.

The work of this bank does not differ greatly from that of similar institutions in other States. The Bank delivers personal books in which the deposits may vary from a minimum of 1 leu to a maximum of 300 lei. The total deposits may not exceed, 3,000 lei per depositor. The books are not transferable or distrainable. The Bank now pays its depositors 4 % interest; the working expenses are very low, and during the period 1900-09 they did not exceed 0.15 % of the savings. The technical work does not differ from that of the English postal savings banks, at least in general outline.

§ 1. ADMINISTRATION OF THE BANK.

As we said above, the law of January 5th., 1880 has established strict administrative mutual obligations between the Savings Bank and the Deposit and Loan Bank. All the funds of the Savings Bank are paid into the Deposit and Loan Bank, which administers these funds conformably with its own organic law and special regulations. All State bankers, collectors, headmasters of gymnasiums and lyceums, schoolmasters and schoolmistresses, professors and teachers of either sex, as well as the head mistress of girls' schools, act as principal or subordinate agents of the Savings Bank.

For the purpose, all these officials of the department of public education are placed in relation with the Deposit and Loan Bank and are obliged to conform to its regulations and the special instructions in connection with the very important work of scholars' savings. The savings bank then pays an amount of 100,000 lei, every year to the Financial Department, in return for operations conducted by it in the name of the bank itself.

§ 2. BUSINESS OPERATIONS.

All the inhabitants of the kingdom, without distinction of nationality, age or sex, may deposit in the Bank through the agents and within the limits we have mentioned above. On depositing they receive receipts, not from the central office of the Bank, but directly from the office receiving the deposit.

If the depositor desires to withdraw an amount not exceeding 300 lei, he need only appear at the office where he has deposited and give the receipts required for the amount he desires to withdraw. If the amount of the receipts is not completely in agreement with that asked for, he must present others for a larger amount, and the sum requested will be placed at his disposal, together with a receipt for the difference.

In addition to these deposits, which we may call ordinary, the system of scholars' deposits is very largely in use in Roumania. We have already seen that all professors, masters and head masters of schools, etc., act as agents of the Bank. All masters and mistresses are obliged, every morning before commencing lessons, to ask the pupils if they wish to deposit an amount, which must not exceed 5 lei. Every month, in their turn, the masters pay over all the amounts they have collected to a principal agent of the Bank. Every pupil who has deposited more than 1 lei has a right to his own book. The Bank cannot give collective books; it does not keep the accounts of the scholars' deposits separately; so it is not possible to obtain statistics on the subject.

On the contrary, we have statistics with regard to the deposits in general, as the following table shows.

*Deposits at Interest in the Savings Bank for the Period 1902-1912.
(Situation at the Beginning of the Financial Year)*

Years	Number of Books	Amount of Deposits (Lsl)
1902-03	128,775	32,404,591
1903-04	143,946	36,862,089
1904-05	157,099	41,652,642
1905-06	167,203	44,906,824
1906-07	180,904	52,124,975
1907-08	191,970	58,733,243
1908-09	200,189	61,799,663
1909-10	207,868	60,778,017
1910-11	218,690	60,190,777
1911-12	228,847	62,533,499

The increase in the number of books in the ten years' period (the fourth decade since the foundation of the Bank) was 78 %, whilst the deposits increased about 94 %. But these figures do not suffice to show the increasing business of the Bank. The number of books delivered in the year, and the amount of deposits in the same period also show a similar increase, as we see below :

Years	Number of Books Delivered in the Year	Amounts Deposited in the Year
1902-03	40,906	18,522,266
1903-04	40,465	20,239,658
1904-05	42,366	21,239,747
1905-06	46,193	25,486,395
1906-07	45,707	27,637,609
1907-08	45,852	28,186,736
1908-09	44,232	24,056,677
1909-10	48,226	25,646,110
1910-11	47,997	27,914,208
1911-12	47,100	28,990,954

On the demand of the depositor, or if the amount exceeds the maximum deposit allowed, the Savings Bank purchases securities it keeps safe of and registers in special books.

The interest on the deposits is calculated from the first of the month following the deposit. Up to March 31st., 1906 the Bank paid 5% interest; since then it has paid 4 $\frac{1}{2}$ %. The interest can only be paid when the principal is withdrawn, unless the depositor withdraws the interest on his own account when depositing a new amount.

When interest or principal are withdrawn, the Deposit and Loan Bank may, if it will, profit by the following delays: 1 month from date of demand in the case of amounts not exceeding 100 lei; 2 months in that of amounts of between 100 and 500 lei; 3 months for amounts exceeding 500 lei.

The following table gives some figures in relation to amounts withdrawn and books closed in the period 1902-1912.

Working Year	Amounts Withdrawn	Books Closed
1902-03	14,064,762	25,735
1903-04	15,449,105	27,312
1904-05	17,985,565	32,262
1905-06	18,268,244	32,492
1906-07	21,029,341	34,641
1907-08	25,120,326	37,633
1908-09	25,078,313	36,553
1909-10	26,233,350	37,404
1910-11	24,571,487	37,840
1911-12	27,424,487	42,944

As we see, both the amounts withdrawn and the number of books closed have appreciably increased, though in somewhat less degree than the amount of deposits and the number of new books opened.

§ 3. INVESTMENT OF AVAILABLE FUNDS AND RESERVE FUND.

Every year, the Board of Management decides how the funds accumulated in the Bank shall be invested. They may be used for the purchase of Treasury bonds or other public securities or for the purchase of land bonds either urban or rural, or agricultural credit securities. In addition, the Bank may also use its funds to grant loans on guarantee of public securities or land bonds; these securities are accepted in deposit at $\frac{2}{3}$ rds. their value at date of the operation.

The loans guaranteed on public securities are granted for three months at most, subject to renewal if the opinion of the Board of Management is favourable. The interest on these loans is paid in advance, at the date of the operation; the rate is fixed each month by the Board of Management.

After deducting from the gross profits, the amounts for interest to be paid, eventual loans and working expenses, the balance is paid into the reserve fund. This fund is used for purchase of public securities and for rural or urban land bonds. The following figures show the situation on March 31st., 1912, as far as concerns the investment of the available funds and the reserve fund.

(a) *Investment of Available Funds*

State Revenue Bonds, 5 and 4 %	Lei	29,902,000
Urban and District Credit Bonds		26,388,600
Viticultural Credit Bonds (4 ½ %)		296,000
Rural Land Credit Lettres de Gage (5 %)		12,427,300
Urban Land Credit Lettres de Gage (5 %)		11,450,000
Rural Bank Lettres de Gage (5 %)		1,395,000
Total		81,858,900

(b) *Investment of the Reserve Fund.*

State Revenue Bonds 4 %	Lei	9,933,300
Urban or Communal or District Credit Bonds		225,500
Jassy Land Credit Lettres de Gage		48,000
Total		10,206,800

In view of these figures, we shall only say that out of a total amount of 92,005,700 lei, 14, 118, 300 lei or about 16 % of the total, were invested in rural credit securities.

Part IV: Miscellaneous

GERMANY.

HOME COLONISATION IN NORTHERN GERMANY.

PART II.

FORMATION OF "RENTENGÜTER" THROUGH THE INTERVENTION OF THE PRUSSIAN GENERAL COMMISSIONS.

OFFICIAL SOURCES:

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§ I. LEGISLATIVE AND ADMINISTRATIVE PROPOSALS.

After having dealt in our number for December, 1912 with the work of the Home Colonisation Commission for the Provinces of Posen and West Prussia, we shall, in this part of our study, treat of another system of home colonisation in use in Prussia. It is directed by General Commiss-

ions, institutions founded in 1817 to facilitate the conversion of land charges and the collective farming of land, and afterwards entrusted with restriping and the redemption of servitudes (1). The profound knowledge they have acquired in this way of agricultural questions and above all their technical competence have rendered them specially fitted to deal with home colonisation. There are now eight of these Commissions: at Königsberg, Breslau, Frankfort on Oder, Merseburg, Kassel, Hanover, Münster and Düsseldorf.

They present an entire group of legislative, administrative, legal and financial measures, the application of which constitutes a very different form of colonisation from that represented by the Home Colonisation Commission. It is distinguished in the first place by the fact that it is not inspired as is the work of the Home Colonisation Commission by political considerations. On the other hand, its object is purely economic, the increase namely, of medium sized and small farms. There is, besides, a considerable difference in procedure due, as we shall see, to the much less extensive powers of the General Commissions. This kind of colonisation also is restricted to any particular part of the Kingdom.

Just as in West Prussia and Posen, so also in the other provinces of Prussia, home colonisation is based on the system of *Rentengüter*. Yet a special institution similar to the Home Colonisation Commission has been established for the foundation of *Rentengüter*. The law of July 27th., 1890, on the other hand, gives anybody who conforms to the general provisions the right to found *Rentengüter*. It reproduces textually the rules laid down for the purpose in the 1886 law. So any individual may now alienate a farm to be paid for in annual instalments, and there is no limitation of the term of the contract. It may be stipulated that the debt can only be redeemed by consent of both parties. The period of such contract may therefore be unlimited. The owner may also impose certain limitations on the liberty of disposal and certain obligations in respect of the farming of the land.

But the 1890 law would probably have remained a dead letter, if it had not been completed by a second law, of July 7th., 1891, providing the founders of the *Rentengüter* with assistance in money. Without such assistance it would scarcely have been possible for the rich Landowners, who have but little interest in the matter, to profit by the permission to transfer their holdings into *Rentengüter*. For the work has need of much money, above all if the farm is heavily burdened with debt. In order to make the situation clear and to release future colonists from all liability for private debts on the former farms, the 1890 law provided that *Rentengüter* must be exempt at their foundation from mortgage and other debts on the farm from which they are detached. Now, the German mortgage law prevents the separation of a parcel from a mortgaged farm and its exemption from the common liability without the consent of the creditors, unless a *Landschaft* or a General Commission give a certificate (1)

(1) See *Bulletin of Economic and Social Intelligence*, June, 1911. p. 227 et seqq.

bedingungslos) that the security of the creditors shall not be affected. The last provision is not of much assistance to farmers laden with debt, and find themselves obliged to sell their land to free themselves from it. There is no need to say that it is just these and not the well off who are at disposal to grant their farms for the purposes of home colonisation.

The law of July 7th., 1891 places at their disposal the credit of the Rentenbanken, founded by the State in 1850 for the purpose of liberating the colonists, authorizing them to convert the rent due by the colonists into capital in the form of securities. This conversion must take place through the medium of General Commissions. In the first place they have to see that the Rentenbanken incur no loss. But they are also authorized to undertake, on behalf of third parties, all the work necessary for the foundation of Rentenländer.

They generally, conformably with the law, grant loans to the amount of one-fourth of the value of the farms. The compensation to be granted to the founders of Rentenländer for the transfer of their claims is fixed by law at 27 times the amount of the rent in securities at $3\frac{1}{2}\%$ and at $\frac{1}{3}$ times the amount of the rent in securities at 4% . The colonists have to pay, in the case of the intervention of the Rentenbanken, an instalment of 4% of the nominal capital given in securities, when interest on these is $3\frac{1}{2}\%$, and $4\frac{1}{2}\%$ of the capital when the interest on the securities is 4% . This instalment includes sinking fund, which the debt is completely extinguished in 60 years and six months in the case of securities at 4% and in 56 years and one month in the case of securities at $4\frac{1}{2}\%$. Generally the securities are only issued at $\frac{1}{2}\%$. In consideration of the increase in the general rate of interest, the law of November 23rd., 1908 has, however, also permitted the issue of securities at 3% .

The colonists may liberate themselves from their obligations before the usual date by paying a certain proportion of the debt still due. In the first ten years after the foundation of the Rentenland, this operation can only be accomplished by permission of the General Commission. Even the conditions necessary for the security of the Rentenbanken do not allow of the transfer of the whole amount of the instalments which the colonists have to pay. Therefore private rents or mortgages are allowed to continue, in their turn transferable to the Rentenbanken as soon as a corresponding portion of the privileged debt has been extinguished.

The 1891 law also authorizes the Rentenbanken to grant loans to colonists for the building of their houses. The loans are extinguished in the same way as those for purchase of land. The Rentenbanken have nevertheless the right to exact repayment before the time fixed for extinction in case the colonist does not fulfil his obligation of insuring the buildings and maintaining them in good repair or if he becomes bankrupt, or if his estate is sequestrated for the payment of arrears of debt.

The possessors of Rentenländer founded by means of the General Commissions have submitted almost to the same limitations of their rights of ownership as the colonists established by the Home Colonisation Com-

mission. In fact, the 1891 law expressly lays it down that a farm can not be divided or dismembered, or its economic independence decreased without the consent of the General Commission, until any loans made by Rentenbank have been completely repaid. In the same way, the Renten-güter are subjected to the régime by which the land is transmitted entire to a single heir (Anerbenrecht) established by law of June 8th., 1896.

The assistance that may be given by the Rentenbanken in the foundation of Rentengüter was further extended by the laws of July 12th., 19 and July 20th., 1910. These laws have permitted the Rentenbank to grant temporary credit (Zwischenkredit) out of their reserve funds. The maximum amount of these credits was first fixed at 10 million marks; the law of 1910 raised it to 15 million. These credits were first only intended to provide the founders of Rentengüter, who only receive their compensation in securities after the business is completely terminated, with capital at low interest (3 ½ %) for the extinction of mortgages and the building of houses. Since the 1910 law, they may also be used to meet other expenditures in connection with home colonisation, for example, such as is incurred for improvements and temporary administration.

These credits are of great utility, because they provide those who intend to subdivide their farms with a part of the necessary capital. But in most cases, this assistance is not sufficient, on account of the limited amount established for the loans. They cannot exceed three fourths of the value of the farm as estimated by the General Commission and their repayment must be assured by deposit of unexceptionable securities, especially by the redemption of mortgages and the cession of claims on State Securities the Rentenbank has engaged to deliver on the completion of the business in exchange for the rents converted and the loans granted for buildings. Besides, they are only granted when the business is already sufficiently advanced. In fact the amounts can only be paid on condition that a considerable portion of the new farms are already sold and the General Commission certifies that a profitable sale of the whole farm seems certain.

Since 1905 these financial facilities have been considerably extended by means of credits granted by the State out of its own funds. A fund of 2,000,000 marks (Zweimillionenfonds) for the encouragement of home colonisation in the Provinces of Pomerania and East Prussia was placed on the estimates of expenditure for the first time in 1905. A similar amount has been voted in succeeding years. In 1910, the application of this fund was extended to the district (Regierungsbezirk) of Frankfurt on O in the Province of Brandenburg. But, at the same time the annual amount was reduced to 1 ½ million, in view of the accumulation of capital in the previous years, and the extension of the temporary credits granted by the Rentenbanken. In future, it will be applicable to all the Provinces of Prussia; it will only, however, be increased by a million marks a year, because it will only serve henceforth to provide what is necessary for subventions not to be repaid, granted by the State for the foundation of Rentengüter. Up to now it has been also used to facilitate the work of home colonisation.

means of temporary credits, called "Ueberkredit", and to encourage home colonisation societies of public utility by means of the share taken by the State in the formation of their capital. It is intended to provide for these objects by means of a loan of ten million marks, part of a total loan of 25 million, of which the other 15 million will be used for the utilisation of peatmoss bogs (12 million) and State domains (3 million). This loan will now of a considerable increase in the encouragements granted by the State for the foundation of Rentengüter.

The banking business in connection with the distribution of these temporary credits, both those granted by the Rentenbanken out of their reserve funds and those granted directly by the State, is done by the Königliche Seehandlung. This is a State Bank founded by Frederick the Great in 1772. After having long had for its principal object the encouragement of commercial and industrial business by means of long term credits and contributions, it now confines itself to ordinary banking business. Thus it also makes advances on its own account to promote the foundation of Rentengüter.

By means of legal provisions, the general ideas of which have already been announced by the Government, probably also the limits within which the Rentenbanken are allowed to grant loans in Government securities have been modified. It is intended to extend them to nine tenths of the value of the Rentengüter. It is further contemplated diminishing, by executive regulations, the difficulties that mortgages cause in the subdivision of farms. The excellent results obtained in many years by means of the improved methods of colonisation now in use prove in fact that there is no danger in authorizing the General Commissions to grant a larger number of Untheilbarkeitszeugnis certificates while establishing that the dismemberment of a farm shall not damage the interests of the creditors.

The laws on the foundation of Rentengüter have been completed by administrative measures, of which we can only mention the most important.

By decree of November 16th., 1891, the Ministers of Justice, Finance and Agriculture gave the General Commissions detailed instructions relating to the putting into force of the 1890 and 1891 laws. To diminish the work run by the Rentenbanken, the Decree of the Minister of Agriculture of March 27th., 1895 orders the General Commissions to exercise, with retention, permanent supervision over the business of the colonists, available themselves for the purpose of the assistance of competent farmers. Two decrees of the Ministers of Agriculture, dated July 25th., 1895 and December 25th., 1897, further enjoin that the General Commissions must also act by the advice of farmers for the foundation of Rentengüter. Errors, sometimes considerable, due to want of experience and the large number of Rentengüter founded in the earlier years, had in fact shown the advisability of the decisions as to the size and composition of the farms, their location, the buildings and working capital necessary for the colonists, etc. They were taken in accordance with the advice of persons better acquainted

with the local conditions than the representatives of the General Commissions could be.

Since 1907, the Government has specially concerned itself, in several decrees, with the establishment of labourers. We shall give their principal provisions when dealing with that question.

§ 2. IMPORTANCE AND WORK OF THE GENERAL COMMISSIONS IN RELATION TO HOME COLONISATION.

The General Commissions are not so important for home colonisation as the Home Colonisation Commission. Not having capital of their own available, they are unable themselves to buy farms to be colonised, but they have all to exercise the functions of intermediaries.

However, their importance for home colonisation is still very great. In fact, in view of the large credits granted by the Rentenbanken, for the foundation of Rentengüter, and only granted through the medium of the General Commissions, it has seldom happened that Rentengüter have been founded without the assistance of these Commissions. Often even it is to the latter that the entire execution of the measures taken for the purpose has been entrusted.

In the law of July 7th., 1891, there were only a few general provisions relating to the intervention of the General Commissions in the foundation of Rentengüter; the special provisions for the purpose are to be found in the Decree of November 16th., 1891. In conformity with these, the founders of Rentengüter may invoke the assistance of the Commissions, for the classes of objects: 1st. private persons or societies who have divided a farm in lots in order to form Rentengüter may request the Commissions to act as intermediaries with the banks for the conversion of the rents into fixed capital; 2nd. in addition, the intervention of the Commissions may be invoked for the establishment of the legal position of the Rentengüter; 3rd. to an even larger degree, their assistance may even be extended to economic business necessary for the foundation of a Rentengut.

This decree makes it obligatory for the General Commissions to make every effort to promote the foundation of Rentengüter. The Commissions have not come short of their duty, which they have always been very careful to perform, and have performed with all necessary attention. The work of colonisation developed extensively, above all in the East provinces, immediately after the coming into force of the laws on Rentengüter. Theoretically, the landowners who provide the land for the foundation of Rentengüter, should take part in the colonisation, but generally they have neither the experience nor the organisation necessary for the direction of the technical work. On the other hand, they have not the necessary ability for all the preliminary arrangements with the authorities and the persons desirous of becoming colonists. For these reasons, in many cases, the General Commissions have been obliged themselves to undertake

work of colonisation. The chief part of the work is accomplished by local organs and special commissioners. In Prussia, there are now 150, dependent on the 8 General Commissions of which we have spoken.

On account of the absolute novelty of the task to be accomplished, usually at first, through inexperience, many mistakes were made, particularly land was chosen for the formation of Rentengüter, unsuited to the purpose, either by its natural character or its situation. Gradually experience was acquired, and consequently principles were laid down which it was necessary to conform for the accomplishment of this work of colonisation. Thus, in 1896, the General Commission of Frankfurt Oder, under the management of Herr Metz, now president of the *Ober-Iskulturgericht* (Supreme Court for Agricultural Business), drew up a code for procedure in the matter. We shall now briefly speak of the procedure, which is known under the name of "*Frankfurter Version*", the principles of which have been adopted by the other General Commissions (1).

The fundamental idea is that small farms can only be formed, by the subdivision of large ones, when there is a possibility of thus forming a strong and vigorous rural commune, or when by adding to an already existing a certain number of new small farms the position of the commune may be reinforced. For this purpose, it has been thought necessary (1) that the colonists should obtain the land at low prices and under favourable conditions, in order that later on they may not find themselves faced by new difficulties; (2) that the position in common law of the communal organization of schools and churches be fixed; (3) that suitable attention be given to the requirements of the farm; (4) that a sufficient communal capital be formed. It is only exceptionally that the formation of Rentengüter should be allowed on land administratively dependent on a large landowner.

In order that these conditions may be fulfilled, a landed estate to be divided must have a number of special qualities, expressed by the term "*Besiedlungsfähigkeit*" (suitability for colonisation). Whenever land is offered to it for the purpose, the General Commission must first examine whether it have this necessary general and economic character.

In this examination, consideration must be paid chiefly to the quality of the soil and the possibility of a suitable distribution of the various kinds of crops. Experience has shown that land of average quality, suited to the cultivation of rye, oats and potatoes, is best adapted for the formation of small and medium sized farms. Yet, it cannot, on the other hand, be said, that a light sandy soil, such as we find in the Eastern provinces, is always an obstacle to colonisation, for, when other circumstances are favourable, the soil may always be improved by means of manure. Soils of firmer consistency are, on the contrary, little suited, for their cultivation requires the investment of a large working capital. In order to guar-

(1) Cf. Metz, *Innere Kolonisation in den Provinzen Brandenburg und Pommern*.

"*Kolonisation in Brandenburg und Pommern*).

against the colonists against deficiency of fodder, meadows are absolutely necessary or at least flat marshy and grassy land, which may easily be made into good meadows. When it is desired to constitute a new commune, the size of the farm must be taken into consideration, for in this case, the necessary expenses for the communal institutions, schools and churches are higher than when the settlements are contiguous with an already existing colony. The position and nature of the buildings are of great importance, for their greater or less suitability for utilisation is very important from the point of view of the rents the colonists have to pay. Besides the nature of the land must also be taken into consideration, as well as the state of cultivation of the land and the possibility of selling the produce. Before taking actual steps for colonising, it is, finally, necessary to ascertain what mortgages there are on the land, for if it is too heavily burdened there might be serious difficulties in the way of dismortgaging.

When it appears from investigation that the colonisation of the land in question is economically desirable, authorization is asked for from the district commission to which the defence of the collective interests is entrusted. Then, with the assistance of experts and representatives of competent authorities, the examination of all the questions of law and fact that have to be defined is proceeded with.

A special difficulty is presented with regard to fixing the compensation to be granted to the owner of the farm converted into *Rentengüter*. The compensation is not to be fixed only in relation to the value the land would have when extensively cultivated. Arrangements must also be made in order that the amount of this compensation added to the necessary expenditure for the colonisation of farms does not constitute a heavy charge for the colonists to bear. For these reasons, first of all a careful preliminary valuation (*Voraxe*) is made of the land, livestock, buildings and other accessories of the farm, then, with the help of the district commissioners (*Kreisverordneten*), calculation must be made of the expenditure to be borne for the intermediate administration and colonisation of the said farm. In case of colonies founded by the Home Colonisation Commission, the necessary expenditure for the formation of institutions of public character, and the general expenditure on the work of colonisation, form a charge against the said Commission, which provides what is necessary for the purpose out of the Home Colonisation Fund placed at its disposal by the Government. When, on the other hand, the *Rentengüter* are founded through the medium of the General Commissions, the expenditure and losses of every kind due to the conversion of the farm into small holdings are almost entirely borne by the colonists. Yet, the compensation to be granted to the landholder alienating his land, together with other expenditure styled *Besiedelungsausläge* (Supplementary Home Colonisation Expenditure) must not exceed the *Besiedelungswert*. By this last expression we mean the amount realisable from the sale of the land, buildings and other real estate at a price not too heavy for the colonists: otherwise the amount to be paid to the seller of the land is reduced in proportion.

As we see, each colonisation enterprise is conceived in a mechanical work in which every important point depends on the plan. It must consequently be regulated according to a plan fixed at the start. In the provisional home colonisation plan, for the preliminary work, only is the compensation fixed which is to be given to the alienator of the land, but also, in their main lines, the work to be done in the rest of the cultivation of the soil, and all other measures relating to the colonisation. In this way, and although not including all the details, this plan already gives a sufficiently clear picture of the future colony, with the division of the various parcels, the houses, roads, ditches and boundaries. This plan serves also as a basis for an approximate estimation of the amounts spoken of above, to be provided for out of the *Besiedlungszuschläge*, necessary for the period of intermediary administration, for improvements and also for the organizations of institutions of public law and beneficence.

The founder of a *Rentengut* must sign his acceptance of the colonisation conditions (*Besiedlungsbedingungen*) thus fixed. He must conform to them conscientiously in the execution of the work required for the colonisation. The General Commission has not the legal means at its disposal for compelling the founder to fulfil these conditions. In fact, in the procedure to be followed in the formation of *Rentengüter*, the Commission is neither a contracting party nor the representative of a contracting party, but it only performs the office of the public authority, at the agreement with regard to the conditions of colonisation does not constitute a contract signed according to the requirements of civil law between the Commission and the *Rentengutsausgeber*. Yet, when the latter fails to fulfil his engagements, the Commission may threaten to stop the procedure already commenced. Besides, the Commission accords its approval to contracts of sale concluded between the *Rentengutsausgeber* and the colonists, only when it is expressly and unreservedly declared that the sale takes place according to the conditions laid down by the General Commission.

From all this we may see that in the execution of the work necessary to render the farm suitable for colonisation, the *Rentengutsausgeber* must conform to the prescriptions of the General Commission. He must place at the disposal of the Commission and employ in conformity with its instructions issued by it all the amounts collected by him for the purpose of the colonisation. Beyond the price of the farm alienated, the *Rentengutsausgeber* only receives a fixed sum (*Besiedlungsgebühr*) in compensation for his personal services. The eventual increase in value of the farm through colonisation profits the colonists alone, most generally in the form of institutions of public utility. On the other hand, the collaboration of the General Commission also considerably diminishes the risks of the *Rentengutsausgeber*. In fact, the procedure to be followed in colonisation may be made as sure and rapid as possible by means of the excellent preparation of these authorities and the confidence the purchasers have in them. In this confidence prevents the seller being lightly suspected of a desire

to speculate at the expense of poor purchasers. The *Rentengutsausgeber* is in the position of an equitable intermediary, who can use his thorough knowledge of the farm for a just division and an accurate estimate of the value of the land.

In the technical point of view the procedure to be followed for the conversion of a farm into a village of farmers, is similar to that followed by the Home Colonisation Commission. There also, the delivery of farms to colonists is preceded by a period of intermediate administration during which all the necessary labour for the preparation and execution of the work of colonisation and the future prosperity of the colonists is accomplished. Special importance is given to the work of improvement. In fact, the General Commissions consider the improvement of farms as one of their principal duties in connection with colonisation. They also count it one of their most important offices to arrange, with the assistance of the ordinary administrative authorities, for a good organization of the institutions of public character. It must be remarked in this connection that the General Commissions succeed generally in providing their villages with all the communal, parochial and educational institutions that are considered necessary for colonisation, although they do not dispose of resources as abundant as those of the home colonisation commission. But this is something more remarkable still, and that is that the Home Commission has been supplied abundantly with the needful resources, whilst the General Commissions have received few subventions. They obtain the means they require by reducing, as we have seen already, the profits of the *Rentengutsausgeber* to a minimum, and he has to submit to this limitation, since the compensation for the cession of the farm is already fixed in advance within certain limits. This makes it possible to utilise for the objects of the colony the increased value generally obtained through the subdivision of a farm, instead of that increased value going in large part to the benefit of the owner alienating the land or the professional speculator who buys and subdivides farms to sell again. The General Commissions also devote quite special attention to all the other measures of general character that may be necessary for the further development of colonisation, in relation, for example, to co-operation, insurance, education, institutions of thrift, the cultivation of fruit and vegetables, the improvement of poultry breeding, livestock improvement, the foundation of popular libraries, &c. In every way, the General Commissions, therefore, are careful that the subdivision of farms, account be taken of the important general interests associated with their object.

The colonists who have to occupy the farm divided into lots may not be invited by the General Commissions but by the contractor undertaking the subdivision. However, even in this case, the latter can do nothing without the consent of the General Commission, for it makes careful inquiry into the personal and economic conditions of the colonist and examines the conditions arranged between the *Rentengutsausgeber* and them. Thus, the Commission is vigilant to see that the general interests are protected in this field. Besides, the liberty of the *Rentengutsausgeber*

considerably limited by the plan of subdivision elaborated in all its details immediately after the preliminary work of the principal procedure being as basis for the distribution of the land to be established in the purchase contracts and for the determination of the purchase price. The form of colonisation varies with the different regions. Thus, in the districts, especially in Hither Pomerania, where the work of home colonisation is very active, it is the *Hofsystem* of isolated farms that prevails, while in other regions it is the *Dorfsystem* of village settlements. There are also intermediate forms. In the buildings there is great variety, especially in the construction of new country dwelling houses, account must be taken both of the habits of the colonists and of the means at their disposal, also of the value of the soil and the needs of agriculture. Yet, the special commissioners have to see that the buildings are suited to their purpose, and that their permanence may be guaranteed while their cost is excessive. For the purpose the Commissioners examine the plans and estimates, then they send experts to supervise the building. In Pomerania, the buildings are generally erected by the *Rentengutsausgeber*, he must take account of the wishes of the purchaser. He may, however, act for his own account. The discouraging experiences they have had with speculators have decided the General Commissions to insert penalties in their building contracts for every day of delay in handing over the build-

Like the Home Colonisation Commission for the provinces of Posen and West Prussia, the General Commissions consider it very important that when the colonists take possession of the *Rentengüter* they shall find them ready in the condition of organized farms. With this object, and if possible during the period of temporary administration, the land is adapted to the requirements of the intensive cultivation to be carried on on it. The *Rentengutsausgeber* has also to provide the seeds, and other requisites for the colonists. In addition, the latter find the special commissioner always ready to give them assistance and advice, in every thing relating to the management of their farms. The colonists who are dependent on the General Commissions have, at the moment of their installation, fewer facilities than those dependent on the Home Colonisation Commission, for, according to the 1891 law, instead of being, in their first years, exempted from payment of the instalments, they can only obtain a year's grace. In any case, the instalment of the first year is quite simply divided over the following years. The difference, however, is not very important, for the colonists depending on the General Commissions are almost all of the same province, and even, for the most part, come from the more or less immediate neighbourhood of the farm given them to colonise. This greatly facilitates their establishment on the soil. In fact, they are not in the same position as the colonists dependent on the Home Colonisation Commission, who, for the most part, come from South or West Germany and have to adapt themselves to conditions for which they are far from being prepared. The colonists dependent on the General Commissions are, besides, almost usually, assisted by their friends and relations. This is a very im-

portant economic advantage, to which various other considerations must be added. Also, in spite of the low rents asked by the Home Colonisation Commission (3 %), and other advantages it offers, those desirous of becoming colonists prefer remaining in their own district when the General Commission offers them a possibility of establishing themselves there. It must, further, be considered that the colonist dependent on the General Commission may in ten years' time have freed himself from the necessity of further payments, whilst in the contracts passed by the Home Colonisation Commission the debt may only be paid off to the amount of 9-10%.

When all or most of the lots have been sold to the colonists and they have taken possession, the debt may be paid off through the medium of the *Rentenbank*. The limits of the amount of the loan that may be granted on each *Rentengut* is fixed by means of a special estimate called *Baueinschätzung*. When the purchaser has paid a sufficiently large sum on account, the purchase price is fair, and it can be foreseen with certainty that the revenue of the land will be increased by the improvements made, the *Rentenbank* assumes responsibility for the total amount of the rent. Otherwise the *Rentengutsausgeber* must remain creditor for the part of the debt not extinguished called *Privatresternte* (balance of private debt). In the final account of the *Rentengutsausgeber* with the General Commission, made out for the purpose of determining the amount to which he is entitled in accordance with the calculation made in advance, this balance is calculated at 25 times the amount of the rent. Yet, the *Rentengutsausgeber* has no right to exact from the colonists the capital corresponding to the debt consisting of the balance of the rent. On the contrary, the colonist may pay off this debt as soon as possible, or else, when their land has increased in value in a corresponding degree, it is permissible for them to ask the *Rentenbank* to take the place of the *Rentengutsausgeber* also with respect to this part of the loan.

As a rule, the colonist must pay a quarter of the purchase price in cash and show that he has enough capital to work the farm. On these conditions the Bank will have no difficulty in substituting itself for the *Rentengutsausgeber* for the total amount due. This is, however, only possible in regions of great economic prosperity. Generally, applicants are accepted who have little capital at their disposal, on condition of their being deserving persons, for it is not desired to limit too strictly the ranks from which colonists may be chosen. The *Rentenbriefe* issued by the *Rentenbank* are in evidence of the transfer of the debt for which it becomes creditor; first of all, with the consent of the General Commission, used for the payment of the provisional credit (*Zwischenschatzung*) and the regulation of other charges. The balance is paid to the *Rentengutsausgeber* in satisfaction of his credit. When all the steps in this process have been taken, the necessary corrections are made in the cadastre and the land registers.

(To be continued).

AUSTRIA.

THE NEW AGRICULTURAL LEGISLATION IN AUSTRIA.

by

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(Continued).

§ 3. IIIrd. PERIOD: LEGISLATION OF RECENT YEARS AND ABOVE ALL SINCE 1906.

As we have seen, the efforts of those who attempted to abrogate part of the liberal agricultural law, by the institution of *Anerbenrecht*, *Höferecht*, and *Reutengüter*, proved ineffectual. Afterwards there was a long period of legislative inaction. In vain attempts continued to be made in scientific circles to attract the attention of the legislators to the important problems of agricultural politics, as for example those connected with servitudes, agricultural communities, restriping, farm improvement, mountain pastures, hunting and shooting rights, etc., in vain it was shown that, if these questions were neglected, the evil consequences might be very serious. (1). It was only after 1906, that this current of ideas, appearing in the scientific world, began to have a very important influence on legislation, shown in new laws on servitudes, agricultural communities, restriping, protection of mountain pastures, as also in a change of attitude towards the problems connected with shooting and hunting. Now attempt is being made, to a large extent, to meet the needs of science, with a view to the organization of all we have spoken of, taking the interests of the peasants into consideration. The object is the increase of the productiveness of the soil and the improvement of the agricultural conditions of the country. Naturally, no party could oppose these desires, and this contributed to ensure their realisation. The measures proposed were sure to be useful for the peasants: so they could

(1) See: SCHRIF: Österreichs Agrarpolitik seit der Grundentlastung. Tübingen, 1892. — Geschichte der österreichischen Land- und Forstwirtschaft 1848-1898. (Conrad Jahrbücher für Nationalökonomie und Statistik 1901). — Die Gesetzgebung der österreichischen Kronländer in dem Gebiete der Land- und Forstwirtschaft (Zeitschrift für Volkswirtschaft, Sozialpolitik und Verwaltung 1902). — Grundriss des österreichischen Agrarrechts. Leipzig, 1903. — Artikel "Agrarverfassung" in the Staatswörterbuch of Mischler and Ulrich, Vienna, 1905.

not but be acceptable to the conservative party. On the other hand, they corresponded with the political and economic ideas of the liberals, for they succeeded in putting aside or at least neutralising the last remains of the feudal system and giving each farmer the greatest economic liberty.

Besides the legislative action shown by us under the letters a to d and f, during this period the whole series of measures already undertaken for the improvement of agriculture was continued. Recently also, in certain provinces of the Empire, attempts were made, this time a little more successfully, to reform the liberal land law, by the introduction of *Amtenrecht* and *Reutengüter*, and to oblige the farmers to unite in organizations for the defence of their interests (letters h to k).

(a) *Recent Laws on Servitudes burdening Forest and Pasture Land.*

We have already seen, in § 1, c the losses suffered by the medium sized and small farms through the extinction and reorganization of servitudes. The extinctions already effected constitute so many accomplished facts, in which nothing can now be changed. As to the servitudes already regulated, it was always possible to extinguish them or to regulate them afresh. In 1906, the Government ceased its inaction and began to occupy itself with reforms in behalf of the peasants. For the purpose, it has drafted a specimen bill and caused it to be passed in all the Landtags concerned, some of which, however, have introduced certain amendments in it. The object of this bill is to render the extinction of servitudes possible wherever it can be effected without endangering important economic interests, and, whenever this extinction could not be effected, to reorganize the servitudes so that the holders of them may really enjoy their rights.

As regards the conditions under which the extinction takes place the dominant principles are similar to those by which the letters patent of 1853 were inspired. Yet, and in spite of this analogy, the law makes large new extinctions possible. First of all, in many cases the parties concerned agreed only to ask for the reorganization of servitudes, although, according to the provisions in force it was really possible to extinguish them. In many other cases, it is only within the last fifty years that the conditions necessary for their extinction have been realised. Thus, in the case of many farms, forestry and pasturage servitudes and the right of collecting litter have lost, with time, their character of absolute necessity, in consequence of the development of the means of communication, the progress of agricultural technique, the cultivation of plants for cattle food, and also of the habit of feeding livestock in stalls even in summer, and the artificial production of litter.

In the letters patent of 1853 the possibility was not at all taken into account that the conditions necessary for extinction would only be realised later; it was thought that once reorganized the servitudes would no longer be liable to extinction. On the contrary, by the new law, the extinction may take place whenever, under the conditions necessary for the purpose, one of the parties makes demand. When more than two per-

are in possession of the right, it is enough that one third of them express the desire. In this way a radical advance has been made on previous legal regulations.

Besides, the special provisions of the new laws eliminate a large part of the unjust inequality of treatment of the possessors of rights of use, in the extinctions carried out in conformity with the letters patent of 1853, so greatly damaged the interests of the peasants concerned. In fact, the value of rights of use is now calculated on the prices of the last years, and no longer on the far inferior prices of a long past period.

Unhappily, only a few Landtags have accepted another amendment to the provisions of the letters patent made in the new draft bill. When extinction takes place in exchange for the cession of a piece of land, the value of this latter may be fixed on various principles: in accordance with the commercial value of the soil or its productiveness. In the first case, the value of the land to be ceded must be equal to the capitalised value of the usufruct. In the second case, the land ceded must give natural produce of a value equivalent to what might have been derived from the use of the servitude.

These two principles lead to different results, for, for the estimation of the value of the servitudes, the interest is calculated at 4 %, whilst for the estimation of the commercial value of the soil, the interest on the yield is calculated at a lower rate. Consequently, in one hypothesis, that of equality of revenue, the compensation to be given in land is higher than in the second, that of the equality of value. In this way, by the letters patent imposing the criterion of equality of value, serious injury was done to the peasants, for they thus lost a large part of their rights of use necessary for the working of their farms, so that indeed the majority of the owners of medium sized and small farms have been economically ruined. As a remedy, the draft bill contains a provision, according to which, the value given for the extinction consists of a piece of land, such should, under ordinary circumstances, give a yield equivalent to that derived from the exercise of the right of use. Unhappily, the legislation of the Landtags remains to a large extent faithful to the system laid down in the letters patent.

The following innovation, introduced into the larger number of the provincial laws, is worthy of observation: when the corresponding value for the extinction is a sum of money, the money must be deposited with the State authorities and invested at interest. The owner of the usufruct can only touch the interest. In this way, the money obtained by the extinction can in no way be lost to the farm. In view of the prevailing liberal and individualistic tendencies, this tutelage exercised so small a part of the farm seems rather a strange thing. Besides, it remains ineffectual as long as the land may be divided and mortgaged.

Besides the extinction, those concerned may also ask for a new organisation of the rights of use. However, the new provisions, for this purpose, are not complete. In any case, the possessor of the right of use has no basis on which to rest a well founded complaint, and is not either suf-

ficiently protected against the obstacles placed in his way by the owner of the land on which he has this right of use.

Incomplete as they are, the new provisions include a series of measures for the regulation of rights of use. Thus, often, since their first reorganization, the servitudes had all been concentrated on an insufficient portion of the farm, which was liberated from them and, in this way, the commoners suffered a certain loss. Now, on the contrary, according to the laws of several provinces, and unfortunately not according to those of all that have dealt with the matter, the land which has been liberated may again be rendered subject to servitudes, to a degree corresponding with the special needs of the owner and of the farm. In this way it is possible to repair injustice occasioned by the application of the letters patent.

Other provisions in the new laws tend to remove occasions for dispute between the possessors of rights of use and the proprietors of land subject to such rights. The servitudes on forests by virtue of which the commoners have the right to gather wood and litter, must, whenever possible, be converted into the obligation of a contribution in kind. The owner of a servient tenement may further exact that the contribution of firewood and litter collected in the forest may be substituted by a contribution of other similar material. It is forbidden, unless with the consent of the competent authorities, to make new plantations in the wooded localities subject to pastoral servitudes, for this would constitute a very effectual means of preventing the owner of a right of use from exercising it, since it is forbidden to lead animals to pasture in forests where the trees are still young. Before making such new plantations, the owner of a servient tenement must place at the disposal of the owner of the dominant tenement pasture lands of corresponding extent, or pay him compensation in money. In the same way, the owner of land subject to right of use must compensate the owner of the dominant tenement, when, as not seldom happens, he himself exploits his forest to such a degree that the owner of the right of use would no longer be able to exercise his right without its leading to the destruction of the wood. In former times, in this case as also in that of the renewal of forests, the right of use was quite simply interrupted or reduced. Finally the existing provisions remove the inconvenience to which the owners of rights of use were exposed, from the fact that, in the reorganization of servitudes, it was not determined in what degree the right of use was shared by the owner of the property subject to this right. Now, on the contrary, to prevent the excessive exploitation of the land, the owner of the right of use may exact that it be settled in what degree the owner of the land may exercise the right himself. All these provisions hinder the vexatious losses of which the owners of small and medium sized farms enjoying rights of use were the victims. The legal system previously in force has been essentially improved for them in this point.

(b) *Recent Laws on Agricultural Communities.*

Whilst the legislation on agricultural servitudes of which we have spoken was being proceeded with, an attempt was made to solve the problem of agricultural communities.

We have seen already that the Imperial law of 1883 and the provincial laws, passed in connection with it, did not succeed in putting a stop to the confusion, uncertainty and bad economy still prevalent over enormous stretches of country to the detriment of the economic interests of the land capable of cultivation. The unsuccess of the law must be attributed to a series of grave defects inherent in it. In fact, the law even prescribed that the servitudes should only be organized at the request of a certain proportion of the commoners, and this proportion was generally very large. The law therefore did not make this organization compulsory. The law fails to settle, in a general way, the true legal position of communal property, to restore to the communities an organization which they are entitled to, etc. (See § 2 a).

In recent years, the Government has taken strong action in the matter of agricultural communities, whilst previously it even hesitated to sanction the provincial laws when passed. In the various provinces of the Empire, the laws required for the regulation of this matter have succeeded each other rapidly.

These laws, which establish as a condition for the organization of agricultural communities the favourable vote of a certain number of the commoners, do not render it either general or compulsory. In most of them, the approval of a fourth of the commoners is required. However, they have allowed advance in other directions, which has also penetrated into the provinces where there were already laws in relation to the matter, for supplementary laws have been promulgated there.

Great importance is attributed to the fact that, in the case of subdivision or reorganization, provision is made for all the work and installation necessary for collective use, and that the procedure required by the provisions in force is simplified in the case of arrangement of farms or divisions of lesser importance.

But greater importance still is attributed to the fact that the mountain pasture communities must be regulated also from the economic point of view by means of provisions for the protection and improvement of the soil, range of pasture for livestock and the establishment of a certain alternation of pasture land, etc.

We may happily further observe that rules of civil law have now also begun to be published in relation to agricultural communities, although there may be some doubt as to their form.

In this field, the provisions of the civil code with regard to property held in common must now be applied, for we cannot speak here of civil personality, since the organic bond, necessary in such case, is wanting. Yet these provisions are not adapted to the relations under consideration, since no

consideration at all is taken of the principle in accordance with which the shares to be distributed must correspond with the economic requirements of a special farm. In the new laws, attempt is made to take this fact into account, by giving the legal relation between each of the uses and the common ownership the character of a *jus in rem scriptum*, usually inseparable from the property to which it belongs. This legal bond which attaches the right of use to the tenement possessing the right, is founded on ancient custom. In spite of that, it cannot be accepted unhesitatingly when there are no farms forming an indivisible whole, and the rights of use are not reduced to the needs of the tenement owning them. Under the present system of the divisibility of landed property, this way of legally attaching the right of use to the possession of real estate may lead to absurd results. It would, on the contrary, be much better to give the collective farms the character of civil persons and to establish the principle of the indivisibility of collective holdings in the same way as has been done in the case of communal land.

It must be considered a highly important fact that the new provisions arrange for the supervision of the regulated agricultural communities whilst up to the present the agricultural authorities have left them entirely to themselves, since the reorganisation of the uses in question. Henceforth, on the contrary, the authorities must supervise the carrying out of the plans of reorganization, arranging for the preservation of the permanent collective work, and the exercise of a reasonable economy. They may even oblige the communities to undertake the necessary improvements, to remove existing defects, etc. Further, it is forbidden henceforth to sell, though not to divide, except with the consent of the competent authorities, mountain pastures, meadows and forests of collective ownership or to constitute charges upon them.

It is only when these provisions have been carried out that the reorganization can produce good and lasting results.

(c) *New Laws on Restripping.*

Together with more active legislation in respect to collective holding an energetic movement was made to obtain laws for the facilitation of restripping. The Government has abandoned its past inaction (cf. sup. § 2 c) to exert pressure on the provincial diets to induce them to pass laws for the carrying out of this work. These laws are now in force in almost the whole of the Empire.

The new laws cannot but have more efficacy than the old. In fact, we saw in § 2. b; the principal obstacle was that two votes in favour of restripping were required from those concerned, one before the commencement of the work and one after its execution. The first time the consent of only an absolute majority of the proprietors concerned was necessary, on the second occasion, the approval of owners of an area of land giving a yield equal to two thirds of the net revenue established in the cadastre was required. The new laws, however, rightly suppress the obligation

second vote. When the restriping has been applied in legal form, when all the necessary work has been undertaken, when decision has been given, if need be, up to the third instance, on all the requests and protests presented, the restriping shall be proceeded with quite simply.

In addition, the new laws facilitate the work. To begin, it is enough at a third of the proprietors concerned ask for it, provided they enjoy a half of the net yield, as established by the cadastre, of the parcels to be restriped.

All these important improvements have been introduced, by means of supplementary laws, into the provinces which already had laws on restriping. We must hope that now a reasonable redistribution of the soil, which will be of such great importance for the economy of the country, will be proceeded with.

(d) *The New Laws for the Defence of Mountain Pastures
and for Alpine Economy.*

The transformation of agricultural policy in recent years (see § 3 a, c.) has also very clearly revealed in a series of provincial laws, promulgated in response to pressure exerted by the central Government, the object of which is the defence of mountain pastures and Alpine economy. This action was taken as a whole to the very great importance of mountain pasture and a reasonable Alpine economy for livestock improvement in the mountain districts and consequently for the welfare of the class of farmers of small and medium sized farms as well as for the meat supply of the whole population. Up to the present, on the contrary, the conditions of Alpine economy have been to a considerable extent extremely bad, and its very existence has been imperilled by a series of circumstances.

Whilst in a neighbouring State, Switzerland, everything possible is being done to improve the mountain pastures to the utmost, and with them the breeding of livestock, for some years past in Austria circumstances have been growing increasingly unfavourable for them. The problem is connected with that of the game laws which in the mountain regions of Austria is entered upon an acute phase (see § 3. g.). The splendid mountain regions of Austria are more and more being taken possession of by persons with large financial resources who are turning them into game preserves. They buy or lease the land for long periods and do not allow or only pretend to allow pasturage on it. These pasture lands are very often reafforested and then exclusively used for hunting and shooting. In the districts where this takes place, livestock improvement has declined and with it the farms, to such an extent that often farmers of the plateaux have had to give up their farms. Thus, in the Tyrol, in the region of Salzburg, in Upper Austria, Lower Austria, Styria and Carinthia, entire valleys and the mountains dominating them have been abandoned and game is there taking the place of livestock. This tendency, most regrettable from the point of view of the economy, which has continued for more than twenty years, has been especially encouraged by two causes: the existence of regulated servitudes

(see § 2 b and 3 b) and the laws contrary to the interests of the peasant (see § 3 f.).

Up to a few years ago, not only had nothing been done to remedy the regrettable situation, but the Government even opposed the carrying on of the measures adopted by some of the Provincial Diets. The character of the laws published in recent years is radically different. We have already mentioned some of the measures passed for the purpose. Thus the mountain pastures cannot be, without consent of the competent authorities converted from pasture land by means of reforestation (§ 3. a). In the same way mountain pastures of collective ownership cannot be sold or burdened with charges. In case of reorganization of agricultural communities, it may be stipulated that they must be subjected to good management improvements must be undertaken, and existing defects remedied; the administrative authorities for purposes of agriculture are entrusted with the supervision of mountain pastures of collective ownership (§ 3 b). However these provisions only concern a part of the mountain pastures and even so they are not complete.

Afterwards, on the initiative of the Government and thanks to the encouragement it has given, the Alpine provinces voted laws inspired by two objects of similar nature; the defence of the mountain pastures, that is to say, their preservation, and the improvement of the economic system in vogue in them. With regard to the first, it is forbidden under penalty to deprive mountain pasture land of its economic character, that is to say to use the soil for other purposes, and to render difficult or impossible its use for pasture land. In some provinces they have gone even further. When a given piece of land has been turned from its use as Alpine pasture land, the authorities may proceed to re-establish the pastures at the expense of the owner.

These provisions can only be practically carried out, when there are others completing them, as, for example, a general prohibition of the reforestation of land which is not to be cultivated as forest, and, consequently, quite specially of the reforestation of mountain pastures (see § 3 b), as well as the prohibition of the formation or extension of game preserves (see § 3 f).

These measures in behalf of Alpine pastures only affect communal pastures or those possessed by groups or even by individuals, when improvements are being carried out on the land with public funds. Especially in the case of the two first classes the extension of the rights of use of each owner of such must be fixed, and that proportionately and not absolutely. They must be subjected to suitable management. In addition, the laws provide that the Alpine pastures be noted in special registers, that commissions for Alpine pasture be formed as well as councils of persons competent in the matter, and inspectors for the chief supervision of the above pastures be nominated.

We shall have to wait before we can say what the results of these measures will be.

The Governments and local (provincial) authorities are also preparing administrative measures for the extension of Alpine pastures, especially granting subventions for improvements in the pasture lands.

(c) *Recent Laws for the Improvement of the Methods of Breeding and Sale of Livestock.*

(1) The provincial laws we have just spoken of tend to protect and improve the pastures, as these latter are necessary for the improvement of stock and in this way they contribute to the progress of one of the most important branches of agricultural production. By another Imperial law, too, considerable sums of money were provided for livestock improvement and the sale of livestock. With this object, an annual credit has been passed of 9 millions for 9 successive years. Of this amount, one million must be utilised in connection with the sale of livestock (co-operation, creation of markets, etc.), five millions for the improvement of livestock (as to livestock improvers, facilitation for the supply of cattle food, engagement of livestock insurance, pastures, etc.). Each province may have a part of this credit, in proportion to the number of head of livestock belonging to it, a principle to which, however, objection may be taken.

In addition, the administrative authorities have founded a "Central Bureau for the Sale of Livestock," at the Department of Agriculture, charged to co-operate in the execution of the law.

The action of the executive and legislative authorities is justified on several grounds. The first is that the production of livestock does not keep pace with the increase of the population; indeed, we find not merely a relative but even an absolute decrease in the quantity of livestock. The second is that on the markets and at the sales of livestock the most complete organization prevails. A remedy is called for in the interest of both producers and consumers. To this is due the above action; the object of which is to eliminate "that series of intermediaries and intermediate operations that, so largely and so often unreasonably or dishonestly, intervene between producer and consumer." In this way, the towns will be supplied with meat at reasonable prices, which will increase the consumption of meat on the part of the least well off classes and especially of the workmen. This will further lead to an increase in the revenue of livestock improvers.

It is not as yet possible to determine the effects the Government action has had on the producers. However, one thing may be said in relation to consumption and the consumers, namely, that the latter have not derived advantages they expected from it. Indeed, never had there been such a rise in the prices of meat and other animal produce (milk, etc.), as after the passing of this law. The consequence has been a serious decrease in consumption.

The intervention of the law in this field became equally necessary on account of the legal situation with regard to the fight against epidemic cattle diseases. Since 1880, laws have been passed for the whole Empire, restrict-

ing the transport of livestock, with a view to preventing the spread of certain contagious diseases. Amongst these restrictions we must include prohibition of the transit of diseased or suspected livestock; the necessity of a permit for transport of domestic animals subject to these diseases, and that of a permit for transport of the animals by rail, water, etc., the obligation of the owners of animals to report the appearance of symptoms of a disease as soon as they manifest themselves, and the closing of the cattle stalls inspection by a cattle epidemic commission, compulsory slaughter of suspected animals. To these provisions must be added a group of regulations both for prevention and subjugation of the diseases. When an animal has to be slaughtered by order of the authorities, the owner is compensated if it has been slaughtered on suspicion of being affected with an infectious cattle disease.

Yet the provisions on this point have become antiquated, and, also ineffectual. Besides they were scattered here and there, in various laws and orders. For this reason, in 1909, an Imperial Law codified and partly extended these regulations. Although the essential intention is preserved, account is taken of the progress made in recent decades by veterinary science. This progress partly renders necessary other systems for combating epidemic cattle disease. Many preventive measures have been rendered more severe or more precise, the obligation of the permit for transit has been extended, the trade in cattle has been subjected to supervision, quarantine stations instituted, etc. The number of diseases to which the provisions of the law apply has been increased, as also that of the persons bound to make declaration and also the number of cases in which animals diseased or suspected must be slaughtered by order of the authorities.

The compensation the State is bound to pay is now extended to the case of all ruminants and pigs slaughtered by order of the authorities. With regard to imported livestock, the obligation to compensate only holds when it is proved that the animals slaughtered were healthy. Besides, compensation is also given for ruminants, pigs and solidungulates, when they succumb to the effects of injections of serum ordered by the authorities; compensation is also given for objects destroyed while disinfection is being carried out.

In these provisions and others also on which we shall not further dilate, this new law on epidemic cattle disease marks an essential advance on the provisions previously in force.

(3) The provincial diets have also long occupied themselves with the supervision of livestock improvement, and, in this field, they have made some progress. It is of the highest importance for scientific livestock improvement that the male breeding stock used should be exclusively healthy and suited for the purpose, and that there should always be a sufficient quantity of it. In almost all the provinces of the Empire, there are special laws for the purpose. These laws provide specially for the exclusive employment of such male breeding stock, bulls, stallions, and boars as have been found suitable at the sanitary inspection enjoined by the authorities. They provide also for the fixing of a minimum proportion of males so qualified to

re the number of females to be served. By these laws, the com-
mes are obliged, if they cannot arrange for the prescribed proportion,
keep ready a sufficiently large number of male breeding stock to make
for the deficiency.

(f) *Other Laws in Relation to Agriculture.*

In addition to the laws of which we have spoken, we have still to
attention to the great improvement introduced in recent years in the
slation on other branches of agricultural policy. For want of space we
not mention them all even rapidly. Besides it would not be neces-
sary, for, we have not been confronted lately with new principles of legis-
lation, for, generally, it is only a case of provisions already in force, the effect
which, however, was previously somewhat more restricted. Thus, for
example, there are provisions which were already in force in some provinces
of the Empire, the effect of which has been extended and which have been
applied over a larger area than previously. And here it will be enough
simply to indicate the subjects they have to regulate :

(1) *Improvements.*

In this connection, both in the Imperial and provincial legislation, a
marked activity is displayed, determined by the very keenly felt neces-
sity of regulating the courses of streams, of strengthening their banks,
regulating the beds of torrents, reforestation, irrigation, drainage, etc. These
technical and agricultural measures are carried out by means of the compul-
sory formation of consortiums, whenever the majority of those concerned
make application for the purpose. These consortiums are given power to
pay their expenses by means of contributions from their members.
The law of 1896 even allows, under certain conditions, a preference mortgage
to be given in guarantee of loans for improvements on particular farms.

Further, both the State and the provinces since 1884 have voted larger
amounts for the advance of agriculture. Thus, the improvement
fund founded in 1884 by the State has increased successively up to 8 mil-
lion crowns in 1909. Thanks to this fund and also with the help of the
amounts granted by provinces, districts and communes, as also by
means of the formation of compulsory consortiums for the regulation of
rivers, it has been possible to fix the beds of torrents, to regulate the cours-
es of rivers, to reinforce their banks, and to carry out works of irrigation
and drainage. Much has been done but still more remains to be done.

More detailed provisions have been promulgated with regard to the
regulation of the beds of torrents than for the other works of improvement. The
owner of land traversed by a torrent must submit to a number of limita-
tions of his rights and even, eventually, to compulsory expropriation.

(2) Protection of Various Crops.

In this field we find an increase in the penalties incurred by those who cause damage to the crops, those who neglect to combat animal and vegetable parasites, or destroy animals useful to agriculture, and above all singing birds. Besides, the obligation imposed on farmers to combat animal and vegetable parasites (insects, fungus, etc.) has been extended. Provision is made for combating phylloxera in the most various ways. And insectivorous animals and above all singing birds receive additional protection.

(3) Forest Cultivation.

The Austrian forest law imposes on the proprietors of forests a rational system of cultivation, while it forbids the devastation of forests or the use of the land for other kinds of cultivation. Yet the work of these laws leaves much to be desired, for the penalties they impose are exceedingly light. For this reason, the provincial laws provide that for all wood cutting a special authorization is necessary, that special rules must be observed with regard to the felling of trees and the transport and storing of the wood.

In the Karst, the need of reforestation has been very strongly felt, wherever private initiative was insufficient. The provincial legislation has been successful in this region, forming a fund and a special commission for the reforestation of the province. The Commissions have to provide for the reforestation of the localities where it is necessary, and have recourse for the purpose, eventually, to forced expropriation.

(g) The Most Recent Game Laws.

In § 3.d we have already shown the intimate relation of hunting and shooting to agriculture, and the great importance of the game laws to agricultural policy.

With regard to hunting and shooting a few remarks are necessary. It will be seen that in Austria agricultural policy has had the same tendency as in other countries. Up to a few years ago, special attention was given to the interests of the large estates, and, especially, of the game preserves whilst, in recent years greater attention is paid to the peasants' interests.

Between 1852 and 1902 the legal conditions in connection with the matter were progressively altered in favour of the shooters and hunters and, consequently, to the detriment of agriculture.

Towards the middle of the nineteenth century the principles of the game laws were established. When a landed estate consisted of 150 hectares the right of shooting and hunting on it belonged to the owner himself (game preserves). On the contrary, holdings of smaller size form altogether communal districts for shooting and hunting purposes and the above right were vested in the commune for the account of its members and in the interest. The commune administered these preserves directly by means of

id huntsmen or huntsmen who hired the shooting and hunting rights. The game was to be prevented from propagating too extensively. There are no close seasons. Those exercising shooting or hunting rights had to compensate the owners of the soil for all damage done by the hunters and shooters or by the game.

This régime, which would have been rather favourable to the landowners, was later modified to their disadvantage.

In respect to the game laws, the influence of the small land holders in rural districts had been fairly important. However, various provisions were introduced to restrict it more and more. Amongst these, let us mention the prohibition to the communes to administer the game preserves themselves; consequently they had to lease out their rights. They were forbidden to grant this lease at their pleasure and compelled to give it to the highest bidder at an auction. The right to grant the lease was taken from the communes and given to the administrative authorities, so that when being a contract of private right it became a simple administrative matter. Instead of the clauses of the lease being fixed by the communes, which might represent the interests of the small holders, they were fixed by the State institutions. The large landholders of the neighbourhood were given a right of preference in the case of such leases of communal land, etc.

It was only afterwards that close seasons were fixed and prolonged for certain kinds of game in order to prevent their destruction. The obligation to pay compensation for damage caused by game has been limited more and more, rather it has been made subject to more and more conditions. In many cases, even, the enforcement of claims of this kind was made more difficult, not even impossible.

This tendency prevailed in all the provinces except Dalmatia, but this did not come about suddenly, nor prevail everywhere to the same extent. The consequences were rather unfortunate. Hunting and shooting, which previously had been a pleasure and amusement for the rural population, became more than ever a monopoly of the high nobility, devoted to sport. Game has greatly increased, to the detriment of agriculture. But while the damage caused to the farms by game has increased, on the contrary it has become more and more difficult for the owners of small and medium sized farms to obtain compensation. The game preserves have increased in number and extent.

Whole mountains have been bought (See above § 1 a and b), covered with forest, permanent grass and pasture land, and even entire domains, have been turned into enormous game preserves. This, and all the evil consequences that have followed from it, must be considered as, almost exclusively, a result of the tendency of the legislation on hunting and shooting which we have spoken above.

For this reason the questions connected with the matter have for many years formed the subject of warm discussions, above all in the Provincial Diets. Bills also have been proposed in connection with it, favourable to the peasants, but if passed by the Diets, the Government rejected them.

About ten years ago the attitude of the Government in the matter changed. Although the desires of the peasants have not been in any way satisfied, yet in some provinces reforms have been introduced to the advantage of the farmers. Thus, in a few provinces, the right to hunt and shoot over small holdings does not rest with the communes but with the co-operative hunting and shooting societies formed by the union of the landholders. In this way, it is possible for them to exercise a great influence in matters of hunting and shooting. Together with the grant of the lease of the preserves by the communes and co-operative societies, the free enjoyment of them, although under certain conditions, has been gradually allowed, through the medium of paid huntsmen. The lease is now allowed to be arranged privately and not exclusively in accordance with the results of public auction. A tendency favourable to the small landowners, although a very slight one, is indicated in the provisions with regard to close seasons, the preservation of game and compensation for damage caused by game.

Although isolated, the attempts made to hinder the formation of new preserves and the extension of the old already existing are of great importance. Certainly these are only attempts of uncertain success. In fact, new game preserves may be formed and those already existing extended, provided the interests of agriculture do not suffer. In this field, on the contrary, much more energetic measures should be taken. Not only should all new formation or extension of game preserves be forbidden, but also the increase of the areas of communal land leased for hunting or shooting. In fact, as this system of leasing is less costly, it has been often followed in various provinces. Unhappily, Austrian agricultural legislation has encouraged grants of this kind in the last ten years. It has even established a right of preference in favour of the holders of game preserves in case of the lease of communal game areas contiguous with them. It is only more recently that a tendency has manifested itself, although timidly enough, to limit the powers of the communes to grant such leases.

Thus, all the interests of agriculture and particularly of the small and medium sized farms are still very far from receiving that consideration they should, although we have to note recently a certain current in their favour in relation to the game laws.

(h) *The most Recent Laws on Inheritance of Peasant Farms.*

The action exerted in favour of the establishment of a special law of succession for peasant farms, as we saw in § 2 C., failed, through the opposition of the classes in whose favour it was planned. The fact that an inherited peasant holding cannot be valued in the same way as a sum of money, had no influence on this opposition. Yet the owners of small and medium sized farms were not opposed to all the special legal principles of the institution of *Anwartsrecht*, namely: the integral inheritance, since the economic unit must not be destroyed by a principle of formal law; prohibition to alienate a holding, for it must remain to the family; and also the condition of favour created for the privileged heir by the co-heirs, so as to pre-

rent the registration of excessive burdens on the holding in question. The opposition was rather against the proposed prohibition of the division of farms during the life of the owner and against the compulsory registration of 'medium sized farms' in a special land register (*Höfebuch*).

In recent years the attitude of the Government has changed also in this matter. In consequence, in the two provinces of Carinthia and Bohemia, in 1903 and 1908, laws have been promulgated for the application of the imperial law of 1889. These laws contain no provision limiting the right of dividing the holding or imposing the institution of special land registers (*Höfebücher*). The judge must, in each case, decide if the conditions are such as to make the application of the legal rules of *Anerbenrecht* necessary. These laws therefore contain no provision definitely subjecting existing holdings to this régime.

The advantages granted by these laws to the privileged heir (*Anerbe*) consist in this that "the farm must be of such value that he who receives it may be able to live suitably upon it." This formula, which dates from the eighteenth century, is no longer applicable to-day. It is so little clear, so uncertain and is open to so many interpretations that, practically, it is entirely left to the judge to fix the extent of the privilege of the *Anerbe* and to decide on the limitation of the rights of the co-heirs.

It is not possible to say as yet whether the effects of this law have been good or bad, both because it has been put into force too recently and because in the rural districts the custom is very widespread of transmitting farms during the life time of the owner, and disposing of them by marriage contracts, wills or contracts of inheritance; finally, because, even previously to the new law, in cases of intestate succession there were already in force customs similar to the provisions of the law.

(i) *The Most Recent Laws on Rentengüter.*

In Galicia and Bukowina attempt has been made to reform the present agricultural organization in other ways than those resorted to in Carinthia and Bohemia. In the two first named provinces, the laws of 1905 and 1908 have made the foundation of *Rentengüter* optional. The aim in view is a little different from that of the Imperial Bill of which we have spoken above (see § 2.d.). The object of that was to preserve the existing peasant holdings burdened with debts, whilst in this case it is attempted to found new ones by means of home colonisation, and consequently by the subdivision of large estates.

It is certainly desirable this end should be attained. However, we can but mention a defect due to the fact that the *Rentengüter* to be founded according to the new provincial laws have too close an affinity to those contemplated in the Imperial scheme. In fact, even according to the new laws, the holdings are not purchased in a lump sum, but by annual instalments. The loans for purchase of a holding and for other special objects can only be granted by the province and for a term of from 52 to 56 years. Until this loan is paid off, that is for at least 10 or 20 years, the holding remains

a *Rentengut* and is subject to quite similar limitations with those in the Imperial bill. Its sale, division, enlargement and union with other farms, and the constitution of a mortgage on it are not permitted without the authorization of the Provincial Commission for *Rentengüter*. In Bukowina, the consent of the Landesbank is necessary. The Commission supervises the *Rentengüter* and may, on various grounds, of which, in part, it is sole judge, demand repayment of the loan at any moment. The position of the owner of a *Rentengut* is therefore subject to restrictions on every side. The institutions of the Provincial Commission have indirectly power to deprive the owner at any moment of the *Rentengut* granted to him. In fact, when repayment of the loan is demanded, it will be very unlikely that the owner can both pay and remain in possession of the holding.

The good or ill success of the law we are now speaking of depends on various circumstances: first of all, on the formation of a large number of *Rentengüter*, which will be formed if the rural populations are disposed to submit to the protection it is intended to subject them to and a series of legal obligations, in return for the advantage derived from the loan granted (*Rentendarlehen*), including the possibility of obtaining larger loans at lower interest; it depends also on whether the Provincial Commission succeeds in other ways in inducing many persons to buy *Rentengüter*: it depends also on the use the Provincial Commission makes of the ample powers given it in this matter, that is to say, if it uses them for the defence of the new peasant holdings from anti-economic management by their owners, or for placing the latter in positions which will render them more dependent on the large landowners.

(j) *The Most Recent Laws on Agricultural Associations.*

The tendency manifested in the whole social and economic field, consisting in the formation of organizations for the defence of professional interests and their representation, has assumed various forms in the domain of agriculture. In certain provinces, there are agricultural associations and local societies based entirely on the voluntary principle. In other cases, the law orders the foundation of a *Landeskulturrat* (Provincial Council of Agriculture), the members of which are appointed, partly by the Government and the Province and partly by the existing agricultural associations, or by the *Bezirksgenossenschaften der Landwirte* (District Agricultural Societies). In some provinces laws have been proposed according to which the administrative authorities must form district agricultural societies of which all the farmers may be members, without being obliged to be so.

In 1902, an Imperial law established the principle of the compulsory organization of the persons engaged in agriculture. When Provincial laws have decided for the carrying out of the above, district and provincial societies must be founded in the various districts and provinces of the Empire, of which all the proprietors of agricultural and forestry holdings must be members.

The object of these societies will be the improvement of the moral and material conditions of the farmers by encouraging in them the spirit of emulation, by means of education and mutual aid, the preservation and increase of the spirit of solidarity, the protection of the interests of the class and the economic interests of the members. The object of these societies is further to give advice and to pass resolutions, either on their own initiative, or at the request of the authorities and to co-operate in the application of measures for the advance of agriculture. The expense must be borne by the members, by means of an increase of the land tax.

The law was not carried out for ten years, for no provincial diet could decide on passing a provincial law for the purpose. Certainly, no great confidence was inspired by a compulsory organization of this kind, in which it might be foreseen that the majority of the members would be indolent and inactive. It was feared that the foundation of organizations on the voluntary principle, and, consequently, inspired by really active interest, would be thus prevented.

It was only in 1911 that, in Silesia, a provincial law was passed for the execution of the Imperial law. This provincial law is an improvement on the Imperial law in so far as in it the agricultural organization is not based on district societies, in which a real community of interest is impossible in view of the large area for which they are formed, but by communal societies, in which neither very large nor very small holdings are represented, for a minimum of 20 crowns net revenue, shown in the cadastre, is insisted on. The provincial agricultural council which takes the place of the provincial associations includes special sections for the German, Polish and Czech societies and for the large holdings.

SPAIN.

THE SOCIAL REFORMS INSTITUTE AND ITS WORK IN BEHALF OF AGRICULTURE.

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§ I. ANTECEDENT EVENTS.

The bitter struggle between capital and labour was the cause of continual disturbance for the economic and social life of Spain throughout the whole of the last century.

The liberal reforms introduced at the beginning of the 19th. century (especially the suppression of *gremios* (1) and the *desamortización* (2), instead of improving the conditions of the working classes, rendered them harder. By the suppression of the *gremios*, it was made possible for anyone to carry on any trade or industry, without being obliged to be a member of a corporation.

In consequence of the sudden change from the old system of *gremios* that of voluntary labour, the working classes found themselves at once completely isolated, in the presence of all the difficulties involved in the new condition of things, without the advantages of association and cooperation.

The *desamortización* of uncultivated communal and crown land was no benefit to the rural classes. This land, in fact, was not divided among the peasants, but sold to those who had the capital to pay for it; on the other hand, the sale of the communal estates, deprived many families of their means of livelihood. We must not therefore be astonished at the popular disturbance that followed; although stimulated by political agitators of various advanced parties, its first, if not its only, cause was the miserable condition of the working classes; let us mention, in particular, the famous revolt of Loja, in 1863, in which more than 6,000 peasants took part.

After this revolt, the laws on workmen's societies, already very severe, became still harsher: every meeting was subjected to careful supervision; constitution and dissolution of rural and urban workmen's associations depended exclusively with the authorities. In consequence, the struggle between capital and labour assumed an aspect of continually greater gravity.

This state of things suggested the idea of founding a Government Commission to study the laws on labour in their various aspects, as well as the situation of the labourers, and propose the necessary reforms for reconciling the interests of all the social classes.

In 1855, in fact, the Minister of Agriculture and the President of the Chamber of Deputies attempted the foundation of a Commission to study the causes of the disputes between masters and workmen in the manufacturing provinces and to propose to Government the steps to be taken for their settlement. This proposal led to no practical result.

Later on, in 1883, the Minister of the Interior founded a Commission to study of all matters directly relating to the improvement and well

(1) The *gremios* resembled trade corporations.

(2) The *desamortización* law (1812) abolished the right of primogeniture and alienated the communal and Crown Lands.

being of the working classes, whether agricultural or industrial, and the relations between capital and labour.

Although it was a purely advisory body and only a small part of its suggestions found a place in the Spanish legislation, the *Social Reforms Commission* is of considerable importance for the social history of Spain as it contributed effectually to the development of the social action of the State in the way of intervention. When we reflect that at the date of its foundation, the Berlin Conference on labour legislation had not been held, the Encyclical *Rerum Novarum*, with which the Catholic social action commenced, had not yet appeared, and that, again, the various European States had not yet legislated systematically on social questions, we shall easily understand that the field in which the Commission had to accomplish its work was not yet prepared: it can therefore only be congratulated on its success in inaugurating the policy of State intervention and preparing the way for those social reforms which form the boast of the Spanish Government of our days.

This Commission organized provincial and local Commissions. Among its labours we must note a report on the situation of the Spanish working classes, published in 1889.

At last, the Royal Decree of April 23rd., 1903, signed by the Prime Minister, Silvela, founded the existing Social Reforms Institute; it is dependent on the Department of the Interior, but is so independent in its work, as to seem really a separate office.

§ 2. OBJECTS AND ORGANIZATION OF THE INSTITUTE.

In the statement of the reasons for the Royal Decree of April 23rd., 1903, it is said that in founding the Social Reforms Institute it was intended to establish a body to give gradual and systematic development to the Spanish social legislation by means of the preparation and application of laws and forms.

It was intended in this way to remedy the defects of the former Social Reforms Commission, which, by reason of its purely advisory character, was only able to realise a very small part of the social measures recommended in its meetings.

The better to attain its object, the Government decided on reorganizing the administrative services already existing.

In founding the institute it respected the competence of each department in the field of social problems; the Institute was given sufficient power to elaborate its proposals, in agreement with the various Departments, unity of action being always maintained.

In taking the place of the Social Reforms Commission, the Institute was therefore able to profit by the wide field of action of the Commission and in addition to the purely advisory powers of the latter it was invested with administrative authority for the direct realisation of its designs.

What has been said, together with what we shall have to say here-
will clearly show that the institution we are dealing with is of mixed
e, with characteristics common to the Labour Offices in various
ries and to institutions of the type of the Paris Musée Social, and
adapted to the administrative organization of Spain.

in terms of art. 1 of the above mentioned Royal Decree and the first
er of the Regulations, the Institute has authority:

(a) *To prepare labour legislation in the widest sense*: The Institute has
fore complete liberty to make proposals, but must submit them always
e government for its approval; it must answer the questions of the
tments with which it is in immediate relation, and all those presented
by civil persons or private individuals.

(b) *to supervise the observance of this legislation*: With this object,
nstitute has been authorized to organize inspection and statistical
es in all its branches after the manner it esteems most effectual.

(c) *to favour social and government action in behalf of the well being
mprovement of the conditions of the working classes*. By virtue of its
ience acquired in the study of the social conditions and opportune
ns, the Institute has become the information office of the legislative
rities; in addition, on many occasions it acts as mediator or as
il arbiter in the prevention and the settlement of social disputes.
for these reasons, it has been attempted to give the Institute an organ-
n which will enable it to attain its ends more easily. In the insti-
itself the classes most interested in the problems dealt with are re-
nted. Of its 34 members, six are elected by the employers of labour
ix others by the working classes. These members are divided in both
, as follows: two represent large manufactures, two small manufact-
and two agriculture; of the remaining 22, 18 are appointed by Govern-
and 4 are members by right of office.

The Social Reforms Institute is composed: 1st. of the Institute in its
al character: 2nd. of the General Secretary's Office; 3rd. of technical-
nistrative sections.

The Institute, in its official character, composed of 34 members, chosen
overnment, the employers of labour and the working classes, consists
ree commissions: (a) of police and public order; (b) of legal affairs;
e economic and social relations. These three Commissions are respect-
in relation with the Departments of the Interior, Grace and Justice
Agriculture. The two former have each nine members chosen from
ag the Government nominees; the Under Secretary for the Interior
member of the first by right of office, as is the Under Secretary of Grace
Justice of the second.

The third Commission is composed of six members, elected by the em-
ers of labour and six others by the working classes; the General Man-
of Agriculture, Mines and Forests and the General Manager of Com-
e, Industry and Labour are members of it by right of office.

The technical administrative sections are composed of the technical staff
he Institute.

These sections report on the subjects submitted to them; they select the material necessary for the work of the Institute, supervise carrying out of the legislative provisions, prepare statistical returns. They represent, so to say, the executive authority of the Institute whilst the members of the Commissions, of which we have spoken already, have to deal with the problems as members of a deliberative council. We now see how the work is distributed among these three technical sections.

The first deals with everything relating to the service of the library and its publications; it has to prepare the collections of social and legislative publications, put them in order and classify them, prepare information and summaries for the use both of the Institute and of the public in general. In virtue of these powers, the section has organized the following departments. 1st. for preparatory information in relation to legislative reforms, 2nd. for jurisprudence; 3rd. for foreign relations; 4th. for the bulletin of the Institute; 5th. for the library and library service; 6th. for social archives.

The second technical section has to deal with the work in relation to the following matters: (a) application of the law on accidents in labour; (b) precautions against accidents; (c) application of the law on the employment of women and children; (d) application of the new social laws; (e) general and special organization of the inspection service.

Finally, the third section deals with labour statistics and general information and has organized the following services: (1st.) collection of official and private data bearing a certain relation to the statistics of labour, production and the conditions of the working classes; (2nd.) reports; (3rd.) journeys of inspection; (4th.) statistical information; (5th.) publications.

The Institute receives an annual Government grant, which was 150,000 *pesetas* in 1904 — the first year of its life — to 395,300 in 1911. This large increase of expenditure is justified by the great increase of the work of the Institute and the recent organization of the Inspectorate of Labour and the Statistical Office. In 1911 the grant, the whole of which was used, was allocated as follows:

	Pesetas
Staff	118,100
Printing and Publishing.	33,209
Library	18,654
Inspection of Labour	147,655
Statistical Commission	30,646
Cost of Lighting, Rooms, Plant, Building, Furniture, etc.	38,451
Travelling, Commissioners, Various Expenditure	8,585

Total . . . 395,300

he means the Institute uses for its extension and for propaganda in publications, among which we must specially mention the "Bulletin of the Social Reforms Institute", in the editing of which all the secretaries and the secretary's office co-operate.

Its principal divisions are: (1st.) extract from the proceedings of the Institute; (2nd.) statistics of strikes and the cost of living for workmen; (3rd.) jurisprudence; (4th.) measures of social character adopted in Spain; (5th.) Parliamentary work of social interest; (6th.) social chronicle; (7th.) bibliography.

Let us mention among the other important publications of the Institute the "Labour Legislation" and its appendices; the Annual "Memoirs of Accidents in Labour" and other memoirs, monographs, notices, statistics, etc., relating to matters of social interest.

Although the institution with which we are dealing is not yet ten years old, its work in behalf of labour legislation is already very important. We mention the part relating more or less immediately to agriculture which we shall deal below. In this work, in the general opinion, the ages of legislation in defence of the workmen are represented by the following laws: *Amendment of the Law on Accidents in Labour*; *Law on Women's and Children's Work*; and the *Law on Weekly Rest*. In addition to these reforms, we must also mention the *Amendment of the Law on Juries*, the *Proposed Mining Code*, etc., not to mention numerous decrees, inspections, arbitrations, etc.

Our brief essay does not permit of our giving further details on the organization and work of the Institute. We shall, however, mention that its directors are Don Gumersindo de Azcárate, the President, and Puyol, the secretary, whose names are well known.

We shall now examine in greater detail the work of the Institute relatively or indirectly to agriculture.

§ 3. THE WORK OF THE INSTITUTE IN BEHALF OF AGRICULTURE.

It was natural that the Institute which has to occupy itself with legislation in the widest sense and the improvement of the working conditions should devote a large part of its action to the study and the solution of problems relating to agricultural labour and the social and economic conditions of the peasants.

We know how important the agricultural question is for the national economy of Spain. The Institute has, therefore, found in agriculture an easy and almost virgin field in which to display its activity.

Agricultural work may be divided under two heads; (a) *preparatory legislative reforms* (bills, regulations, etc. directly or indirectly relating to agriculture); (b) *information* (reports on the questions put by Government or private persons, agricultural information, statistics, etc.).

Before we give a few details upon this twofold action, we must observe that the nature of this essay does not permit of our entering into a minute examination of the material, but we propose to undertake such an examination in future articles.

I. Preparation of Legislative Reforms.

(A) *Law on Agricultural Syndicates.* Up to 1906, all the Associations were subject to the law of 1887 on associations.

While one of the most liberal in Europe, this law offered too narrow a field for the development of agricultural association. The nation's agriculture was agitated at the time by manifold and complex problems, which could not be solved by the State alone without the aid of private initiative. In fact, the extension of technical education, the institution of agricultural credit, the improvement of crops, the progress of livestock improvement and other problems relating to agricultural production generally could only be dealt with, when the action of the State was prepared and assisted by voluntary social action. It was necessary to encourage it where it had commenced and to provoke it where it had yet appeared, that is to say to remove the obstacles the legislation of the time opposed to the formation of those agricultural syndicates which already given proof of their beneficent work in other countries and had been constituted in Spain in spite of enormous difficulties. Urgent was thus felt of a law to encourage the formation of these syndicates with accurate specification of their nature and functions, and the reduction of formalities and taxation in their case.

As soon as founded, the Social Reforms Institute gave itself to the study of the problem; on June 15th., 1904 it discussed and approved "Basis for a Bill on Agricultural Syndicates", presented by one of its members, Señor Moret, and immediately forwarded the proposal to the Government to serve as the basis of the law so much desired.

In October of the same year, the Government presented to the Chamber a bill which, for political reasons, was not finally approved. The same bill was presented again, with a few slight alterations, in November, 1905, and was at last passed on January 28th., 1906.

Thus the 1906 law on Agricultural Syndicates, from which the farmers have derived such benefit, was based on lines laid down by the Social Reforms Institute.

The first article of the law lays it down that the term agricultural syndicates shall be taken to signify associations, societies, communities and agricultural chambers which have for their aim one or several of the objects enumerated in the law and covering almost the whole economic field in relation to agriculture, from purchase of farm requisites to collective farming (1).

(1) For further details see the article "Agricultural Organization in Spain", in the *Journal of Economic and Social Intelligence*, February, 1912.

We see it was meant by this law to provide these associations with a system of rules at once comprehensive and liberal, much more comprehensive than that of the French syndicates.

To found a syndicate it is enough that a group of at least ten persons, constituted society, make application to the Prefect. In all the Prefect's Offices a special register of agricultural syndicates must be kept. Syndicates are civil persons. Their deeds of constitution, amendment, union or dissolution are exempted from stamp and registration, etc.; their legal acts enjoy similar exemption.

They are also granted special exemptions from customs dues. The co-operative or credit institutions formed by the agricultural syndicates on the mutual principle must pay tax on their profits only as far as profits to members are concerned (art. 6).

With a view to encourage the formation of these syndicates, the Agricultural Department will grant them without charge and with preference the use of select breeding stock, in order to improve their breeds, as well as specimen seeds, plants, machines and agricultural implements accorded by the State for the encouragement of rural industries; the syndicates will further receive subventions for the promotion of agricultural education.

With regard to the results obtained by this law, we shall say they have been fairly satisfactory, since, a year after the publication of the final regulations of 1908, the syndicates had increased in number from 856 to 1,154. They take different forms: rural bank syndicates, co-operative syndicates for production, co-operative distributive syndicates, co-operative syndicates for purchase and sale, irrigation syndicates, livestock improvement syndicates, etc.

(B) *Law on the Pósitos.* — Agricultural credit is a vital matter for Spanish agriculture. One of the first causes of the decline of agriculture was its stagnation and its slow advance in recent years is, without doubt, want of capital.

It is true that the unsatisfactory state of Spanish agriculture is due to various natural and social causes, such as the mountainous nature of the country, the droughts, the anti-economic distribution of rural land, the want of technical education among the agricultural classes; but, in latter years, considerable improvements have been made in these directions, and still we are confronted with the deficiency of pecuniary resources. Concerned at this deplorable state of things, the Social Reforms Institute undertook to solve the problem of agricultural credit. People were therefore convinced that State action in this field must be limited to opening the channels by which the money should be brought to the country when it left the bank safes. But, on the other hand, if the solution of the problem was to wait for private initiative, naturally slow in coming, it was to be foreseen that there would be a risk of postponing the carrying out of the desired measures in favour of thrift.

It was then that the Institute turned its attention towards a century old Spanish institution, deeply rooted in national custom, which, in former ages, had rendered great services to agriculture, but which, now, was destined to disappear, on account of its antiquated organisation, ill adapted to modern requirements, and in consequence of abuses in its management: We refer to the *Pósito* (1).

The *Pósitos* or public granaries were formed for the purpose of "giving cheap bread to wayfarers and assistance to the poor". They also kept in deposit a certain quantity of corn and other grain to lend to farmers for their consumption or for sowing in time of scarcity.

These loans were to be repaid after a certain period with a small additional amount, fixed at the start and called *creces*.

In their origin, these societies (dating from the days of the Catholic Kings) were essentially charitable institutions. At first, they were founded by the Crown, but they were so successful and so highly appreciated that soon private individuals imitated the kings: in 1558, there were already 12,000 *Pósitos*. But as soon as they had acquired importance through their wealth, they were decimated, through abuses in their administration, as well as by the action of the Treasury and the local authorities. The peasants also, knowing the end in store for the *Pósito* corn, did not return what was due or gave the worst of their harvest.

The law of June 26th., 1877, which founded Permanent Commissions in all the provinces to administer the *Pósitos* and issued regulations for their reorganisation and improvement, did nothing more than change the terms of the problem. In fact, as soon as the *Pósitos* were subjected immediately to the Prefects, the annual reports were considered as a political affair. As a result of all these abuses, a large number of these institutions disappeared, so that in 1850, there were not even 4,000 (2) of them.

Yet it must not be believed that the above causes alone occasioned the decay of the *Pósitos*. In its continual evolution, agriculture had need of more progressive institutions; the farmer required something besides seed: extensive farming was necessary and he wanted manure, machines, good breeding stock etc., which the granary could not offer him: in fact, the *Pósito*, in its original form, no longer answered modern requirements.

The Social Reforms Institute, therefore, discussed a design for a bill on the *Pósitos* and approved it on June 11th., 1904. The Bill was passed by Parliament on January 23rd., 1906 and became the law on the *Pósitos*, now in force.

In this law it was proposed to modernize the *Pósitos*, transforming them gradually into real rural banks, which, however, were to enjoy certain advantages as compared with the independent banks. They have, in fact,

(1) See Bulletin above mentioned.

(2) The Portuguese *colleiros* and the Italian *Monti frumentari*, institutions of credit similar to the *Pósitos*, suffered the same fate.

in the first, a considerable foundation capital at their disposal, enjoy certain fiscal and legal privileges and may boast the continuity of tradition, which serves to promote the principle of the institution. Consequently, one may say, that, in virtue of this law and successive administrative provisions, the modern *Pósitos* have nothing in common with the ancient but the name.

The principal reforms introduced by the 1906 law may be summarised as follows: the *Pósitos* have been made dependent on the Agricultural Department; a Royal Delegate has been appointed for five years, to superintend the carrying out of the law and has been given very large powers: *Pósitos* will be able to make loans to farmers, even in money, act as loan savings banks, facilitate the purchase and employment of machines, manures, manure etc.; and also receive corn in deposit against advances of amounts not to exceed half the value of the goods deposited and at an interest of not more than 4%; the maximum term for the loans is one year.

The results obtained through the application of the 1906 law and the work of the *Pósitos* Delegate, have really exceeded all that was anticipated. In fact, not only has a large part of the capital which was supposed lost been recovered, but, in view of the existing organisation, adapted to the requirements of modern agriculture, new institutions of the kind have been founded by means of subventions granted by the Delegate and local public subscriptions. Thus, the number of *Pósitos*, which was 3,410 in 1906, came 3,501 in 1909 and 3,520 in 1910; their capital, in the latter year, amounted to 90,707,333 *pesetas*. At present, 11 *Pósitos* have agricultural machinery of a total value of 262,575 *pesetas*.

(C) *National Thrift Institute*. This institution has no immediate connection with the agricultural problem, but it also has an interest for the rural classes; that is why we speak of it here.

The former Social Reforms Commission had, from the first, proposed the foundation of a mutual aid society for disabled workmen. Later, finding that public opinion began to occupy itself with workmen's pensions and such pensions would meet the urgent requirements of the nation, it entrusted one of its members, Señor José Maluguer y Salvador to study the problem and draft a plan for the foundation of a Popular National Insurance Society.

As the Commission had been substituted by the present Institute, it was to the latter that Señor Maluguer presented his report in June, 1903. As a result of his report and with the object of encouraging social action with regard to the improvement of the working classes, the Institute decided on the realisation of the project. With this object it assembled the representatives of the local Savings Banks in order to consult them on a "proposal for a National Thrift Institute, administered by the Savings Banks accepting the idea, without thereby limiting their present independence in the matter of popular insurance and especially of workmen's pensions."

The Government approved the idea, and the Royal Order of July 27th., 1904 assembled the representatives of the Savings Banks for the meeting to be held in Madrid, on October 17th. of the same year.

Almost all the savings institutions of the nation (with the exception of only five) adhered to the *Popular Thrift Conference*, at which 241 of them were represented. In this Conference, the following principles, among others, were approved :

(a) that the State shall found and guarantee and accept liability to the National Thrift Society (or Institute) for the purpose of instituting pensions for members of the working classes ;

(b) that the *Montepios* and Savings Banks, in consideration of their organisation and their aims, can and shall encourage the installation and development of the new Institute ;

(c) that in the fundamental law of the National Society the personality of the Pension Societies founded according to the technical principles of insurance to act in their respective localities or districts shall be recognised; each of the Societies being free to arrange a mutual insurance reinsurance contract with the National Society.

(d) that the acts of the National Society shall be exempt from all the taxes from which the Savings Banks, mutual insurance societies and labour accident insurance societies are exempt ;

(e) that it shall be laid down that workmen's pensions are not transferable and are undistrainable.

At the close of the Conference, the Social Reforms Institute charged its Delegate to draft a scheme for a National Thrift Institute.

The proposal presented in consequence was based on the principles approved at the Conference ; it differs only in respect to the liability of the State, as it is said in art. 2 that " the National Thrift Institute will have civil personality, a board of management and its own funds independent of those received from the State ; the State will assume no other liability than that indicated in the present law." In addition, in order that the Thrift Institute may not only be an office for insurance, but that through its means popular instruction in thrift may be instituted, art. 1. lays it down that the object of the Institute shall be : (1st.) to diffuse in the country ideas of thrift above all in relation to old age pensions ; (2nd) to manage the mutual society founded by members uniting voluntarily under the patronage of the Institute, and profiting by the favourable conditions it offers ; (3rd) to encourage and favour the foundation of old age pensions, distributing the general and special subventions granted for the purposes by the State, by other corporations or by private persons.

In November, 1905, the Social Reforms Institute accepted the proposal presented by its officers, which was approved later in Parliament without discussion and was published as law on February 27th., 1908.

For what concerns the organization and working of the National Thrift Institute, we refer our readers to the article published in a preceding number of this Bulletin. (1)

(1) See *Bulletin of Economic and Social Intelligence*, Nov.-Dec., 1911. pp. 163-170.

As proof of the work of this institution, we shall mention that, in the annual meeting held on March 23rd. last, it was possible to show that the first four working years, it attained the best results, even exceeding those of similar societies in other countries ; there were, in fact, at that date 7 books per 100,000 inhabitants.

(D) *Other Legislative Reforms.* — Before closing this short review of the preparatory labours of the legislative reforms of mixed character, it is to say of those at once affecting the industrial and agricultural class, we shall mention the "*Bill on Undistrainability of Wages*", presented by the Institute and approved in Parliament on July 12th., 1906. According to this law, wages, salary and pensions not exceeding 2.50 pesetas in amount are undistrainable; this amount represents the undistrainable portion of all wages ; for higher salaries, provided they do not exceed 2,500 pesetas per year, the distrainable portion may not exceed one fifth ; for those not exceeding 5,000 pesetas, one third, and for larger salaries one half.

To the Social Reforms Institute is also due the praiseworthy initiative in relation to the preparatory studies for a bill on cheap dwelling houses. In accordance with these, on June 13th., 1911 the "*Law on the Construction of Popular Houses*" was passed. By virtue of this law, the Government, on its own initiative, or at the request of the Local Commission for Social Reforms, the Chamber of Commerce, the Economic Society of the Friends of the Country, Workmen's or Employer's Societies, the Municipality or any other local institution or authority, may authorize the foundation, in any commune, of a Commission for the development and improvement of workmen's houses, in agreement with the Social Reforms Institute. The State, the Province or the Commune may cede the land for the building of workmen's houses, without compensation. One of the principal provisions of the law is that of art. 11, in which it is provided that unproductive land, belonging to Associations or private persons, in which the owners have not built houses within three years from the passing of the law, may be expropriated for purposes of public utility in favour of societies for the building of cheap houses. The law provides special exemptions from taxation for the houses and the building societies ; contracts for purchase of land for building workmen's houses are also exempt from payment of registration and stamp duties.

The Government shall every year enter on the Estimates an amount not less than 500,000 *pesetas* for the encouragement of the building of cheap houses. The Commissions for the development and improvement of workmen's houses are dependent on the Department of the Interior, and are under the management and patronage of the Social Reforms Institute. Special service will be organized at the seat of the latter.

The Institute is now occupied with various legislative reforms, amongst which we shall mention the draft of an organic law on Co-operative Societies and a bill on the application of the law on agricultural accidents.

II. The Information Service.

We shall now cast a rapid glance at the work of the Institute in collecting information, which has a more or less immediate interest to agriculture.

In addition to the numerous opinions issued on questions proposed by the Government or by private individuals, we must mention certain special labours.

Let us mention, among other things, that in relation to the *statistic of associations* which is incontestably one of the most important. To establish it, the Institute, at the beginning of its labours, demanded of the Prefects of the 49 Spanish provinces a report on all the urban and rural associations entered on the Provincial Registers up to November 1st, 1906, the date to which the first statistical report on the economic and social associations and institutions was to refer. By means of these returns, the Institute was able to obtain a list of all the associations coming within its province by reason of their aims and sent each of them a schedule of questions the answers to which furnished the data for the first statistical report published in 1907 and 1908.

These statistics being obtained, it was necessary to keep them up to date by noting new foundations and dissolutions. For this purpose, the Royal Order of April 30th., 1908 charged the Prefects to send, every three months, a report on the new associations formed and those dissolved. This system remained in force up to the issue of the Royal Order of June 13th., 1911 and furnished the Institute with a Register of professional associations (employers', workmen's and mixed), and of economic and social institutions; entry in this register is optional, but the professional associations not registered within the period indicated lose their right to elect representatives to the Institute.

The Institute is now engaged in preparing the return of elections among which there already appear more than 3,000 associations, and at the same time it is studying their regulations, reports and balance sheets.

Another important work is the collection of *Preparatory Information for the Application of the Law on Accidents to Agriculture*. For this purpose a schedule of questions and several circulars have been forwarded to the co-operating associations. The answers received have been embodied in a report.

Every half year the Institute publishes a statistical return styled *Permanent Information on the Prices of Articles of the First Necessity Manual Labourers* (1). These statistics are obtained by means of circulars and schedules of questions sent to all Mayors, Presidents of Local Social Reforms Commissions and managers or heads of co-operative distribut

(1) This information relates to the following items: bread made of wheat, barley, maize, rye; flour of wheat, maize or rye; beef, mutton, lamb, pork, goats' meat; tripe, salt meat; or preserved fish; fruit; fresh vegetables; potatoes, beans, chickpeas, rice, haricot beans, lentils, wine, cider, milk, coffee, eggs, sugar, oil, butter, salt; petroleum, electric light, coal, wood, etc.

cieties, through the regional statistical delegates. The answers serve to show the maximum, minimum and average prices and the degree in which the price has increased.

We shall mention, last of all, the *Agricultural Enquiry in the Two Castles* the Institute was instructed to carry out by Royal Order of June 15th., 1904 and the *Enquiry into the Situation of Rural Labourers in Andalusia and Extremadura*, begun by the Social Reforms Commission in 1902 and brought to an end by the Institute in 1905.

It is evident from what we have said here that the Institute is occupied with various economic problems more or less directly connected with agriculture (Law on Agricultural Syndicates, Law on *Pósitos*) (National Thrift Institute. Laws on Undistrainability of Wages, and on Cheap Dwelling Houses), while it also dedicates a large part of its attention to information, enquiries and statistics of agricultural and social importance, which have served as the basis for legislative reforms. This short essay will give an idea of the immense work done by the Institute for the working classes, and, if account is taken of the importance of the reforms and the brief period within which the work has been accomplished, we may conclude that the Social Reforms Institute will effectually contribute to the solution of the agricultural problem in Spain, on which the economic future of the country depends.

ITALY.

I. MEASURES FOR THE PROTECTION AND DEVELOPMENT OF THE NATIONAL LIVESTOCK PRODUCTION.

SOURCES :

LEGGE 6 luglio 1912, N. 832, concernente i provvedimenti a tutela e ad incremento della produzione zootecnica nazionale (*Law of July 6th., 1912, no. 832, on the Measures for the Protection and Development of the National Livestock Production*), in the "Gazzetta Ufficiale del Regno d'Italia", Rome, no. 190, August 12th., 1912.

REGOLAMENTO per l'esecuzione della legge predetta, approvato con Regio Decreto 19 dicembre 1912, n. 1395 (*Executive Regulations in connection with the Above Law, Approved by Reg. Decree of December 19th., 1912, no. 1,395*), in the "Gazzetta Ufficiale del Regno d'Italia", Rome, no. 12, January 16th., 1913.

We have already supplied information and statistics on the livestock production of Italy, in the Bulletin of Economic and Social Intelligence of May 31st., 1911 (p. 265) and recently in our number for January, 1913 (p. 12) dealing with livestock associations. From that information and those statistics we saw that in view of the increased consumption of meat and its corresponding rise in price, it was necessary to give an impulse to livestock improvement, and that, on the other hand, the State had to intervene to control and support private initiative in this field. This is the aim of the law of July 6th., 1912 and the regulations for its execution, issued December 19th., 1912, both of which we shall here briefly examine.

The law consists of two parts. The first deals with horse improvement, the second with the improvement of horned cattle, sheep, pigs and poultry.

With regard to horse improvement, provision is made first of all for the increase of the number of stallions in the Government studs. The number is to be increased from 800 to 1,200 and for the purpose an amount of 4,800,000 frs. has been placed on the Estimates. In the second place, from the current year, an amount of 200,000 frs. more than was formerly voted is to be entered on the estimates for the Department of Agriculture, Industry and Commerce, for "encouragements to horse improvement. This amount will serve for prizes for stallions and mares, for subsidies for the purchase of stallions, to allow of the sale of stallions and mares at a

asses, and to provide prizes at the races. It will also be employed for "engagements to mule improvement," for the promotion of ass improvement, to allow of the grant of male asses, of subsidies for the installation working of stations for asses and for prizes to improvers.

As regards the other kinds of livestock, the law gives the competent authority the right:

- (a) to promote and subvention stations for bulls, rams and boars, supplying them with the animals,
- (b) to subsidise the importation of males of improved breed;
- (c) to grant prizes to improvers who shall unite to found special colonies for raising calves in mountain pastures or other appropriate localities;
- (d) directly to organize:
 - (1) shows with prizes for breeding stock, and to subvention those organized by institutions and local committees;
 - (2) competitions for the cultivation of cattle food and the scientific feeding of livestock, subventioning those opened by local institutions.
 - (3) competitions for the use of motors in substitution of animals, traction of machines and agricultural implements.
- (e) to promote and subvention shows of butchers' beasts;
- (f) to encourage the development of livestock *Mutual Insurance Societies*, as well as that of co-operative dairies, facilitating their foundation and working, as also of their unions or federations, granting them contributions in money and awarding prizes to the best organized and most active;
- (g) to promote and subsidise the foundation and work of *producers' associations* and *co-operative societies*, so as to found and work general stores or warehouses, with markets in connection with them.
- (h) to subsidise the farmers' associations, with a view to the realization of undertakings for livestock improvement.
- (i) to found and subvention the new livestock institutes, and poultry improvement stations, where the need of them is felt, having regard to the conditions of livestock improvement in the various institutions;
- (j) to grant contributions for the foundation of livestock sections in connection with the itinerant professorships of agriculture;
- (k) to promote and encourage by means of lectures, temporary courses, scholarships and in any other way, propaganda for the intensification of livestock improvement.

This law, finally, establishes a fixed communal tax of two francs per head of livestock before it has any permanent incisors. Three fourths of the amount goes to the State and one fourth to the commune. The portion of the tax that comes to the State shall be used for the realisation of various objects of this law.

2. MEASURES IN BEHALF OF SILK PRODUCTION AND MANUFACTURE.

SOURCES :

LEGGE 6 luglio 1912, no. 869, contenente provvedimenti per la produzione e l'industria serica
(*Law of July 6th., 1912, no 869, containing Provisions for Silk Production and Manufacture*)
in the "Gazzetta Ufficiale del Regno d'Italia", Rome, No. 197. August 21st., 1912.
REGOLAMENTO per l'esecuzione della legge predetta, approvato con Regio Decreto 19 dicembre
1912, No. 1,424 (*Regulations for the Execution of the Above Law, Approved by Royal Decree*
of December 19th., 1912. No. 1,424) in the "Gazzetta Ufficiale del Regno d'Italia," Rome,
No. 19. January 24th., 1913.

The production of cocoons in Italy has diminished in recent years, and is become insufficient for the work of the factories, labour costs more than in the past, credit is imperfectly distributed, and the organization of the silk manufacture and trade leaves something to be desired. These with a certain number of outside causes are the reasons why silkworm rearing and the silk industry have appreciably declined. In 1907, the Government appointed a special commission, of which Luigi Luzzatti was president, and charged it to seek out the causes of this crisis and the remedies that might be applied. This Commission terminated its labour in May, 1910. It formulated certain proposals, which formed, generally speaking, the basis of a bill presented the same year to the Chamber of Deputies by the Hon. Giovanni Raineri, then Minister of Agriculture. This bill was afterwards amended by the Parliamentary Commission and the result was the law of July 6th., 1912, No. 869, on measures for the production and manufacture of silk. Before dealing with its contents we think it well to give a few data with regard to the production of cocoons in Italy.

§ I. A FEW DATA IN RELATION TO THE PRODUCTION OF COCOONS IN ITALY.

Official statistics give the following figures for the production of cocoons in the period 1900-1912.

1900	kg. 56,702,000	1907	kg. 57,0380
1901	" 53,527,000	1908	" 53,1930
1902	" 55,531,000	1909	" 48,4130
1903	" 44,598,000	1910	" 43,3270
1904	" 56,607,000	1911	" 38,5800
1905	" 51,940,000	1912	" 41,6500
1906	" 53,838,000		

Considering one of these years, 1911, more particularly, we find that the total number of cocoons produced per region was as follows : Lombard

1,400 quintals; Venetia, 88,800; Piedmont, 59,900; Emilia, 24,300; Tuscany, 24,000; Marches, 14,300; Calabria, 14,000; Campania, 3,500; Calabria, 3,300; Liguria, 3,100; Sicily 1,500; Abruzzi and Molise, 1,200; Basilicata, 500. From this we see that Upper Italy produced 76 % of the total, Central Italy 19 %, and Southern and Insular Italy 5 %. Sardinia, except for the province of Messina, Apulia and Basilicata produce absolutely nothing. The needs of the country demand a larger production of cocoons, above all in Southern and Insular Italy, by means of measures well adapted to the purpose. This is the object of the law just passed in Parliament of which we shall here give a summary.

§ 2. THE PRINCIPAL PROVISIONS OF THE LAW OF JULY 6TH, 1912
AND THE REGULATIONS OF DECEMBER 19TH, 1912.

In accordance with this law, there is first of all founded, at the Department of Agriculture, Industry and Commerce, a "Council for the Interests of Sericulture" (1). It is composed:

- (a) of three representatives of agricultural associations and comices;
- (b) of three representatives of sericultural industrial associations;
- (c) of seven members, appointed by Royal Decree, on the proposal of the Minister. One of them must be a person engaged in agriculture or sericultural industry. They must be chosen in such a way that the various branches of silk production and manufacture may be equally represented in the Council.

(d) of the heads of the agricultural and industrial bureaux.

In addition, the Minister has the right to attend the meetings of the Council of public officials and private persons recognised as competent to consult and report on special questions. There shall be at least two ordinary meetings a year and whenever necessary a special meeting.

The duty of the meeting is to give its opinion in the first place with regard to the distribution of an amount of 500,000 frs. entered yearly on the estimates of the Department of Agriculture, for the following purposes:

1) The Commission for the study of the conditions for silkworm improvement and the industry, mentioned above, had already proposed the foundation of an "Italian Sericultural Institute." This proposal was included in the first draft of the bill. The Institute is to be founded as an independent civil person: to receive from the State an annual subsidy of 500,000 frs. for thirty years, and be supported by subscriptions from various institutes and contributions from persons engaged in the sericultural industry under its various forms might be proposed to make. Its object was to be to promote and encourage the development of the various Italian sericultural industries. But the Parliamentary Commission, charged to report on the bill, on many considerations we cannot reproduce here, rejected the proposal. In its place it proposed the foundation of a "Council for the Interests of Sericulture." This is the Council founded by the law which has just come into operation.

1st. to promote the advance of mulberry cultivation (1) and of silkworm rearing under conditions favourable to both.

2nd. to promote the improvement and formation of breeds of silkworms, while combining the interests of silkworm rearing with those of sericultural industry;

3rd. to promote studies and research and experimental installations for the progress of all branches of silk production, by means of subventions to workshops, the foundation of scholarships at home and abroad, and the grant of prizes;

4th. to promote the establishment of general warehouses for sericultural material of every kind;

5th. to promote the drying and collective sale of cocoons;

6th. to promote the collective sale of the silk.

After consultation with this Council, the Department of Agriculture and Commerce shall take the necessary measures. When necessary it shall make use for the purpose of another special fund of 250,000 francs entered on the ordinary estimates. It shall occupy itself with:

1st. the foundation of new State mulberry nurseries and the extension of those already existing, as well as the free distribution to farmers of mulberry trees from these nurseries, in localities where there are no such trees although the conditions are favourable to their cultivation. Whoever applies shall receive mulberry trees at cost price.

2nd. the grant of prizes or subventions for encouragement to the agricultural associations, agricultural consortiums, other institutions or private persons who have contributed most to prevent losses through the *diaspis pentagona* and other parasites;

3rd. the promotion of the employment of contract labourers, granting them an equitable share in the profits from silkworm rearing, as well as bringing harmony into the regulations for the contracts in relation to all sericultural materials.

The law further provides for entry on the ordinary ministerial estimates of another amount of 100,000 frs. for the foundation and work of a department of information and statistics in connection with sericulture production and the silk market. This provision will come into force in the year 1912-1913.

There are two other provisions of considerable importance in articles 5 and 6 of the law. By the first of these, the institutes of issue are authorized to go beyond the limits fixed in the text of the final law on the above institutes, approved by Royal Decree of April 28th., 1910, no. 204, in the matter of direct discounting, at favourable rates, of warrants issued by genera

(1) The amount of mulberry leaves produced in Italy in 1909 was 11,335,000 quintals; in 1910 it was 10,253,000 quintals and in 1911, 10,059,000 quintals. Most were produced in Piedmont, Lombardy and Venetia, where the amounts were respectively 1,606,000; 3,729,000 and 2,405,000 quintals.

rehouses, legally constituted, on deposit of silk, cocoons and waste ducts, to the amount of:

10,000,000	in the case of the Bank of Italy;
5,000,000	" " " " " " " " Naples;
2,000,000	" " " " " " " " Sicily.

By the second, the ordinary savings banks are authorized to advance money on deposit of silk and consequently to depart from the provisions of their rules with regard to the investment of their capital.

There follow certain measures in relation to technical professional education. At Ascoli Piceno an experimental station has been founded for cultivation of mulberries and silkworm rearing and in the superior schools of agriculture at Milan and Portici and at the superior agricultural institute at Perugia, special lectureships for instruction in silkworm rearing have been instituted. Finally, a hundred thousand francs will be added to the estimates from date of the present financial year, for the application of the scientific practical rules to be followed in the cultivation of the mulberry tree and the rearing of silk worms. For the purpose, temporary theoretical and practical courses will be held, prizes will be distributed among the farmers and labourers who frequent these courses, lectures will be delivered on silkworm rearing and silkworms and silkworm rearing distributed.

3. PUBLICATIONS OF RECENT DATE ON AGRICULTURAL ECONOMY IN ITALY.

- 0 G.: *Monografia di famiglia del contadino giornaliero in Sicilia nell'anno colonico 1904-1905* (*Monograph of a Family of Agricultural Day Labourers in Sicily for the Year 1904-1905*). In the "Giornale degli Economisti", no. 1, Rome, October, 1912.
- 0 G. (Prof. Oreste): *Il problema del miglioramento della terra in Italia e all'estero* (*Problem of Land Improvement and Home Colonisation in Italy and Abroad*). Extract from the proceedings of the "R. Istituto d'incoraggiamento", Naples, 6th. series, Vol. IX. Naples, 20-op. Press, 1912.
- 0 G. (Adv. Luigi): *Proposta di legge per la concessione dei latifondi in enfiteusi alle cooperative agricole in Sicilia* (*Proposal for a Law for the Grant of Latifundia in Long Lease to the Agricultural Co-operative Societies in Sicily*). In "Cooperazione Siciliana", No. 21. Palermo, October 21st., 1912.
- 0 G. (Cosimo): *L'irrigazione in Puglia* (*Irrigation in Apulia*) in the "Rassegna Nazionale". Rome. December 16th., 1912.
- 0 G. (Felice, Engineer): *Sulla irrigazione in Piemonte* (*Irrigation in Piedmont*). Lecture on the "Convegno Agrario" of Vercelli, November 11th-12th., 1912. In the Bulletin of the "Società degli agricoltori italiani". No. 23. Rome. December 15th., 1912.

- FERRARIS (Dr. Luigi): Statistica dei Mondarlei e dei Salarjati fissi impiegati nel Novare l'anno 1912. Stazione esperimentale di risicoltura. (*Statistics of the Employees On in Cleaning Rice and those on Fixed Wages in the Region of Novara in 1912. Experiment Station for Rice Cultivation*). Vercelli, Gallardi and Ugo. 1912.
- FERRI (Adv. Giacomo): I diritti dei contadini, dei mezzadri e dei braccianti (*Rights of Peasants and Day Labourers*). Discourse pronounced in the Chamber of Deputies June 17th., 1912. Castel S. Pietro, A. Conti, 1912.
- ROSSI (Giacomo): La questione meridionale e la malaria. Note critiche. (*The Question South and Malaria. Critical Notices*). Portici, E. della Torre, 1912.
- RUTINI (Comm. MEDUCCO): I bacini montani (*Mountain Basins*). Reggio di Emilia. "Press Society, Ltd." 1912.
- TROPEA (Dr. C.): Le attuali condizioni della cotonicoltura in Sicilia (*Present State of Cotton Cultivation in Sicily*). In the "Bollettino del Ministero di Agricoltura, Industria e Commercio". Series C., Nos. 4, 5 and 6. Rome, April to June, 1912.
- VALENTI (Ghino): Il nuovo ordinamento della statistica agraria in Italia (*New Organisation of Agricultural Statistics in Italy*). Rome. "Press of the Royal Academy dei Lincei".
- VALENTINI (ORONZO): I nuovi orizzonti dell'irrigazione all'esposizione e al congresso vercelli (*New Horizons of Irrigation, at the Vercelli Exhibition and Congress*). In the "Antologia". No. 984, Rome. December 16th., 1912.
- VICINO (Luigi): Il compenso delle migliorie agrarie nel contratto di locazione (*Compensation for Agricultural Improvements in the Contract of Lease*). Piacenza, A. Bosi, 1912.

